

JPRS-EER-88-020  
8 MARCH 1988



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# ***JPRS Report***

## **East Europe**

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JPRS-EER-88-020

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8 MARCH 1988

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## BULGARIA

### Professors Reportedly Dismissed for Criticizing Government

29000002 Paris LE MONDE in French 20 Feb 88 p 4

[Text] Even though a recent opinion poll which appeared in the Sofia press indicated that many Bulgarians expressed doubts about the chances for success of the restructuring in their country, it is apparently preferable not to express these criticisms publicly.

On 18 November 1987, at the time of the 24th conference of the BCP section at the University of Sofia, Professor Nikola Popov, 66, head of the political economy department, a member of the BCP and of numerous official commissions, is said to have accused the party and government of not being prepared to combat the economic crisis despite all the great reorganization projects that have been announced.

In his opinion, the restructuring in Bulgaria is nothing but a hollow word, designed to conceal the lack of a will to democratize the country in the economic and political spheres. One of his colleagues, Professor Nedyalko Belev, 64, also a BCP member, linked the crisis of socialism to the personality cult which surrounds the head of state, Todor Zhivkov, and his family. He denounced the reactionary policy of the State Council deputy chairman, Yaroslav Radev. The next to speak was Nikolay Vasiliev, 41, an anthropology professor, BCP member, and son of one of the most popular philosophers among the Yugoslav [as published] liberals. He stigmatized the "syndrome of excessive administrative arrogance," from which the party suffers—a disease which affects every sphere of society and leads the officials to bully the social sciences. Finally, Professor Vasil Ivanov, 64, a former resistance fighter who was twice condemned to death by the fascists, criticized the totalitarian style of the Rector [of Sofia University] Mincho Semov.

The majority of the participants greeted these speeches sympathetically, and, despite the objections of the rector, Nedyalko Belev was elected to the university [party] committee by a vote of 220 to 60. The next day, the political bureau of the city of Sofia received an order from Todor Zhivkov's office to expel the four professors from the university and to quickly initiate an investigation of the education offered there.

On 20 November, the four professors were summoned by the Politburo to turn in their party cards. That evening, some students occupied university buildings and demanded explanations. At the same time, they protested the prohibition against showing the Soviet documentary, "Is It Easy To Be Young?" about the return of soldiers from Afghanistan. The university officials induced them to leave peacefully. The Ministry of Education is said to have cancelled the work contracts of the four professors on 25 November.

## CZECHOSLOVAKIA

### Beno Suggests New Approach to Party Work

AU261635 Prague RUDE PRAVO in Czech  
22 Jan 88 pp 1,3

[Interview with CPCZ Central Committee Secretary Mikulas Beno by RUDE PRAVO's Vaclav Pergl: "Party Work to Correspond to the Requirements of the Times"—place and date not given]

[Excerpts] The annual membership meetings in the party's primary organizations will begin shortly. The Seventh CPCZ Central Committee Session stressed that the momentous tasks we are facing can only be fulfilled when everything that takes place, when the implementation of all changes, is directed by our Communist Party. From this arise demands on the party itself, both in respect to its unity and to its ability to act.

We spoke about the topical issues of party work, which are related to the preparations for the annual meetings, with CPCZ Central Committee Secretary Mikulas Beno.

[Pergl] Comrade Secretary, preparations for the annual membership meetings in primary organizations have been underway for more than 2 months now. How would you describe these preparations?

[Beno] The party's activity, beginning with the CPCZ Central Committee and ending with the primary organizations, bears the hallmark of the ongoing process of elaboration and realization of the conclusions of the 17th CPCZ Congress, of the strategy of acceleration, of restructuring, of economic reform, and the deepening of socialist democracy. Party agencies and organizations are gradually assimilating the demanding tasks of the Seventh CPCZ Central Committee Session, which has developed further the congress line for all vital spheres of the life of society and the party's activity. In this connection, qualitatively new, much greater demands on the cadres and on organizational preparations for the annual membership meetings and party conferences have clearly come to the fore; these meetings and conferences are currently at the center of the entire party's attention. Primary organizations, but also district and regional committees, are trying to perceive more deeply the urgent local problems and the crucial tasks, which were stressed at the seventh session of the Central Committee and reported on by Comrade General Secretary Milos Jakes as well as in the approved documents.

At the same time, our experience shows that up to now there have been considerable differences in the way party organizations work their way toward, and approach the practical application of, the conclusions of the seventh session in their own specific conditions. There are quite a few positive examples and experiences. Regional party committees, such as the North Moravian, the Prague City Committee, and others, as well as many district committees, have already been placing stress on the



clarification of key problems, weak spots, and shortcomings, which must be resolved in the interest of a vigorous realization of the strategy of acceleration and of activation of the Communists. They have to consult leading collectives on this: workers, cooperative farmers, experts, those who feel the weight of problems directly. Such a course corresponds to the requirements of the times, and is the foundation of openness, pragmatism, criticism, and finding efficient solutions.

However, we also come across new tasks that are being tackled with old methods, energy that is being concentrated on writing reports only. The preparations often take place at enterprise or district committees, instead of proceeding from an analysis of reality, dialogue, or the experience of Communists, as well as from their critical standpoints and recommendations. We are definitely of the opinion that the annual members' meetings cannot be a routine campaign. New tasks must be tackled in a new way. The desirable turn will not be helped by mechanical dissemination of numerous measures or by repeatedly raising peripheral questions, which drown the very essence of crucial problems. Another barrier is the practice—which still has not been overcome—limiting preparations for the annual meetings to some individuals only without permitting the participation of the whole committee, including all active Communists as well as persons without party affiliation.

The following conclusion can be drawn from the course of the preparations for the annual membership meetings: It is characteristic that, on the one hand, these meetings are accompanied by greater activity, by the endeavor of the party agencies and the party activists to prepare them on a higher level, on the other hand, this endeavor is being realized in a complex struggle against old habits in the course of which new approaches are sought, approaches which would be adequate to the demands of the contemporary tasks.

From these findings it follows that preparations for the annual membership meetings and party conferences must be organized in such a way as to make it possible to contribute to making party work match up to today's tasks, to make sure that the annual meetings have an open and creative atmosphere, so that every Communist becomes a co-author of adopted measures and that he assumes his share of responsibility for the solution of concrete tasks. [passage omitted] [Pergl] What will be the form of the assistance to the party's basic components?

[Beno] The Central Committee puts exceptional emphasis on concrete, effective assistance to lower-level party agencies and, above all, to the primary organizations, and has adopted the necessary measures in that respect. It has sent teams of political workers from the CPCZ Central Committee to all regions—more than 1,800 comrades to date. This will create a solid communications system between the center and the local organizations, a system which will keep on strengthening the independence of party organizations and will solve problems competently.

In party work there is no place for formalism, administrative management by means of circulars, orders from above, and accumulation of resolutions without proper effort to implement them. Revolutionary changes cannot be carried out in offices; one has to go to the people and take part in organizing work on the spot. [passage omitted]

[Pergl] The process of democratization also applies to the party, to each of its components. It is also closely connected with the development of intraparty democracy. What, in particular, must be avoided now?

[Beno] It is necessary to see to it—possibilities permitting—that all members become involved as early as the stage of preparations for the annual membership meetings, that all suggestions or recommendations, be they from a rank-and-file member [pracovník] or a director, are assessed with full seriousness and responsibility, and are concretely used. No key problem can be resolved effectively without the Communists' active participation and without the committee's accounting to the members. This should be the case in the preparations, directly at the meetings and conferences, and while implementing the measures adopted. This is the foundation for the further development of party work and intraparty democracy. The demand is being rightly voiced that we talk less about it in general terms and create better conditions for it, with a greater openness, flow of information, exchange of views and standpoints concerning the implementation of concrete tasks, and party and public control.

One of the ways to deepen intraparty democracy is the possibility to decide freely how to vote in party agencies elections, a possibility which is enshrined in the CPCZ Central Committee resolution on annual membership meetings and conferences. It is necessary to say openly that the possibility of a secret ballot has been received with mixed feelings in some places, and sometimes even with mistrust. Information obtained to date reveals that this rule on the manner of voting has not been completely understood everywhere as a part of the party's effort to develop intraparty democracy, to improve the preparation of cadres for the annual deliberations, and to increase the activity and responsibility of the Communists in shaping and implementing the party policy. In this respect, party agencies will have to pay all the more attention to assessing this first experience.

What must we avoid during the annual deliberations and in party work in general? Above all formalism, ostentation, administrative overorganization, superficiality, and generalization. Everywhere we must counterpose signs of routine behavior by concrete, open behavior, by objectively viewing the problems of worksites as well as the work of the party organization. We must concentrate our energy and attention on vital issues, and see behind everything the people, their needs, opinions, and encourage their active participation.

### Himl Dies in Beijing

LD271834 Prague CTK in English  
1616 GMT 27 Jan 88

[Text] Prague Jan 27 (CTK)—Antonin Himl, member of the Czechoslovak Communist Party Central Committee, member of the Czechoslovak National Front Central Committee Presidium, deputy of the House of Nations and Federal Assembly Presidium member, chairman of the Czechoslovak Physical Training Association, died today at the age of 54.

He was elected alternate member of the Communist Party Central Committee at the 14th party congress and, in 1976, he became a Central Committee member. He was deputy of the Czech National Council from 1969 and, in 1971, was elected deputy of the House of Nations and Federal Assembly Presidium member.

Antonin Himl worked actively in youth organizations. In 1967-67, he was secretary of the Czechoslovak Union of Youth Central Committee and also chairman of the Young Pioneer Organization's Central Council. He graduated from the College of Political Studies of the Soviet Communist Party Central Committee in Moscow in 1970.

He contributed significantly to the restoration of unity in Czechoslovak youth organizations after 1968-1969.

Antonin Himl was elected Presidium member of the Czechoslovak Physical Training Association Central Committee in 1963 and, in 1972, became its chairman. He took part in preparations of the Czechoslovak Spartakiads.

### Slusovice Distances Itself From Charter 77 Spokesman

24000064 Slusovice NASE CESTA (Supplement) in Czech 27 Jan 88

[Resolution, signed by the CPCZ Enterprise Organization and the Management of JZD Agrokombinat Slusovice, entitled: "JZD Agrokombinat Slusovice Will Not Allow Anyone to Disturb Its Operations," prepared by: V. Hyankova, V. Prikazsky, and M. Julinova]

[Text] A 35-year-old man who has never particularly distinguished himself in either a positive or negative way during his not quite four years of membership in JZD AK Slusovice. Never, that is, until the moment when he, as member of the Charter 77 movement, was named one of its three spokesmen. And this is where the so-called "Case Devaty" begins.

### Who Is Stanislav Devaty?

Let us first take a look at his curriculum vitae, which may be partially pieced together from the biography he enclosed with his membership application. We quote: "I

was born 8 June 1952 in a family of government officials. My mother was born in 1921. She worked at OUNZ [okres public health institute] as a manager. She retired from that position and now works at TSM Gottwaldov. She is a member of the Communist party and of the Association of Antifascist Employees. My father was born in the year 1910 and worked as general manager at US [expansion unknown] in Otrokovice. He died in 1972. I completed the 9-year elementary school and attended US Elektro where I completed my apprenticeship as electrical technician in operations. On completion of the US, I started full-time studies at the Federal Industrial High School and graduated in electronics in 1973. In 1973 I started to work as a mechanic at the Rudy Rijen [Red October] Enterprise in Otrokovice and after less than a full year I transferred to MPS in Prague where I worked as a senior calibration technician. In 1979 I left for the Svazarm Central Committee at the AVON Enterprise in Gottwaldov where I worked as assembler of numerically controlled machines MOD 275 and later transferred to the programming center for this machine; I also worked as programming technician for all other products of the enterprise. I left the Enterprise AVON in May of 1984. I now work temporarily as a mechanic and salesman at the Raj Gottwaldov. My hobby has been electronics which I practiced since the age of 8. One of my other hobbies is listening to recorded music.

I am divorced and have a child. I am not politically engaged. I have no police record. Signed in own hand

Let us examine a little closer some of the mandatory items in the questionnaire to which S. Devaty did not—for reasons that we now know—write any detailed answers in spite of the requirement that he expand on them in his biography; disregarding the fact that by his signature he unequivocally declared that he fully answered all items in the questionnaire and did not try to hide anything.

For example, that his wife emigrated with their daughter Katerina to the United States in 1980. That his younger brother who, by the way, has a police record on charges of violence and actions against property, has also moved outside of the territory of the Czechoslovak Republic.

Mr Devaty completely omitted to mention that he is a member of Charter 77 Movement.

If we further examine his personnel records, we can only comment—whether anyone likes it or not—that on his application for employment at JZD Slusovice, he signed in his own hand that: "I am joining the cooperative because of personal conviction and recognition that the building and development of united agricultural cooperatives is the correct way, toward building a happy and satisfied village. I also declare that I will conscientiously carry out all responsibilities contained in the cooperative

statutes and work rules as well as those deriving from the resolutions of the membership meetings and of the cooperative management. Signed 23 July 1984.

Another document is the work evaluation from his previous workplace, AVON Gottwaldov, where they write: "He has a friendly cooperative nature and was well liked in the employee collective. He is direct in his actions. He was critical of various shortcomings at his workplace but frequently lacked objectivity in evaluation and more self-criticism.

In the past he willingly helped to solve various problems, primarily of technical nature, in the enterprise outside of his work requirements. However, recently, cooperation with him has become more difficult. He is neither publicly nor politically engaged.

That much for written materials which should be objective in their evaluation.

Neither AVON nor MPS noted that the reason of his departure was a number of disciplinary measures taken because of work-associated problems.

#### The Case of Devaty

It is no secret, either for our cooperative members or for the public at large, that our JZD, among others, achieves significant results by moving and reassigning personnel as needed for the intensive development of the enterprise.

For such reasons, a proposal was discussed with Stanislav Devaty, who worked as computer programmer in the applied cybernetics plant I, that he would transfer to our JZD assembly plant in Poprad for a period of 3 months. This was done on the basis of the requirement of this plant for expert assistance in introducing microelectronic production of an automated firefighting system and securing electronic parts for cattle scales. The selection fell on Devaty, among others, because he does not have family obligations and could leave his current residence without problems but also because his work assignment in ZAK was among those scheduled for cutbacks.

Mr Devaty turned down our request with reference to his work contract at his present work location in Slusovice. As to our explanation of the need, he resolutely declared that in any case he will not go to Poprad. He maintained his stand even after he was informed that such an action would be considered gross violation of work discipline.

And this is where his membership in the Charter 77 enters the play, that is, primarily his role as the newly acquired position of speaker. A routine work problem now becomes a welcome "tidbit" for antisocialist and anti-Czechoslovak propaganda spread by the radio stations Free Europe and Voice of America. The speed with which they react does not leave anyone in doubt as to the

source of their information; some formulations and distortions of facts, too, clearly prove whom are these "wish-it-were-true" "objective" reports to serve. And that is how this misleading and deliberate connecting of Charter 77 activity with the name of our cooperative came about. Through this untruthful and distorted information, thanks to Mr. Devaty, the good name of JZD AK Slusovice and all its honest employees is being villified.

In spite of everything, things at our JZD proceed in their regular and legally correct way. Mr. Devaty was properly served the [management] decision notification of his transfer to Poprad for a duration of 90 days in accordance with the articles 18, 19, and 20 of the cooperative work rules, and his starting day was set for 20 January 1988. Housing for him was available. He was assigned to the microelectronic center—as computer technician for APS and cattle scales.

Mr Devaty interpreted this decision as personal persecution. As another reason for not obeying, he attempted to prove his indispensability at the ZAK I workshop. According to Mr Devaty, the cooperative management was taking an unjustified and unreasonable attitude.

And the voice of America could again air its fabrications and half-truths on such a delicate subject as Czechoslovakia—human rights—Charter 77—Devaty—JZD Slusovice.

Our personnel and staffing department took the only possible position: it reclassified Mr. Devaty to a position in the enterprise of cattle breeding, where he was to work feeding cattle until a new decision by the appropriate officials could be made.

Is this the end? By no means.

Stanislav Devaty had his instructions and he intended to take full advantage of becoming the center of attention. That he is causing stress to his coworkers is of no interest to him. The purpose sanctifies the means. And so he continues, without compromise, headlessly, and ruthlessly, in "his battle."

#### We Were Taken Advantage Of

The very first day after his departure from the workplace in ZAK I, on the 21st of January, Mr. Devaty asked his co-worker, Engr. Kardos, to arrange a signature campaign; thus it happened that a "petition" was presented to his former coworkers.

We quote:

"Stanislav Devaty has been a long-term employee of the enterprise of applied cybernetics at JZD AK Slusovice. During this time he grew to become an expert in computer programming. He was always willing to assist to his less experienced colleagues with advice and lend



his hand. He is well liked in the collective for his friendly nature. His departure will cause substantial losses at the programming section which is working in socialist care, because the best qualified expert in ITK computer programming will depart. We would, therefore, appreciate if he could stay with us."

This letter was signed by 90 employees at the ZAK I. On Friday, 2 January, Engr. Kardos delivered the petition to the personnel department and a verified copy into the hands of Mr Devaty. And not without a reason.

No later than Monday, 25 January, Voice of America was citing it as a proof of the support of ideas of Charter 77. "The Devaty Case" has now become a daily program on the schedule of these stations.

But human credulity and misplaced solidarity have their limits. From the 90 of those who signed, 84 rapidly saw through the charade and individually, by personal letters, recalled their signatures and distanced themselves from the illegal political activity of Devaty. Let us examine a few of these declarations, and we quote:

"I would like to express an apology for my participation in an action which, in its results, caused harm to the activity of the entire JZD AK Slusovice. I wish to assure you that I did not, in any way, wish to cause harm to the cooperative and that the petition does not express my approval of the political activity of Mr. Devaty. I have nothing to do with his political activities and do not support them in any way. I had no idea that this action would be misused and I decidedly condemn this misuse. Again please accept my apology and be assured that I wish to work for the advantage of the entire cooperative."

"On 21 January 1988, a paper has been presented to me with the signatures of my coworkers. After reading it, I erroneously assumed that it concerned a work problem and without further thought I signed the document. I do not, in any case, concur in the political views of my former colleague S. Devaty. I condemn this action and do not wish to be connected with it."

"We have not the slightest intention to harm the JZD AK Slusovice. I like the work, and I like people who live around me and make every effort to fulfill their responsibilities according to their best ability. I joined only recently and already my signature has been misused for other purposes than for which it was intended. This has brought me to a situation in which I hope to find myself for the first and the last time. I am sorry at the outcome and I am convinced that in the future I will be more careful about what I am signing and for whom."

"I am sorry to note that I am one of those who signed the document supporting the return of S. Devaty to his former position. I resolutely condemn the method in which my signature was misused against the JZD AK Slusovice. Developments show unequivocally that it was

an error to put my trust into S. Devaty, an error whose results I had underestimated. I declare that I do not share S. Devaty's political attitudes and it was not my intention to support them in any way."

You will certainly agree that it would have been simple to indicate the full names under these declarations. But why expose to public condemnation individuals who trusted someone who shamelessly misused their trust? From their words and sentences we can clearly read bitterness and indignation.

The moment of discovery of the entire political background and of their poor judgement, and the search to repair the damage certainly was a sufficient "punishment" for them. The understanding of our JZD management concerning their error will definitely not fit in to the Voice of America concept of criticism of violation and suppression of human rights...The Monday meeting of the Enterprise CP and the VCS ZO CPCZ fully condemned the actions of Stanislav Devaty and distanced themselves from his political opinions.

The leading secretary of the Okres Committee of the CPCZ, RSDr. Vaclav Valenta was also present at the ZO CPCZ meeting. In his presentation, among other subjects, he also took stand on the case of S. Devaty who claims that our government system prevents him from his fight for human rights. Which rights are they supposed to be he does not know himself because he was overheard saying that in the Gottwaldov region nobody is denying him any human rights. Chartists do not recognize socialism and claim that there cannot be democracy in Czechoslovakia as long as the communists rule there. As Comrade Valenta noted in this connection, it is a paradox that his mother should have been a member of the Communist party. He does not wish Communist party members any good and does not try to hide his hate for them.

Devaty is a person with a desire for fame and admiration at any cost. That leads him to call attention to himself at any price, cause agitation and the appearance of some kind of political opposition, with effective assistance from the foreign centers. That makes him unequivocally a qualified class enemy whom it behooves not to underestimate but also not to overestimate. For the West he will be of interest only as long as he will continue to cause harm to CSSR and JZD AK Slusovice. It was with this idea in mind that he wilfully misused his colleagues.

#### An Employee Versus a Person

Let us hear some of the opinions of Stanislav Devaty:

Engr J. Dostal, director of enterprise for module production:

He was a worker with good work morale. Everybody knew that about him. The whole time that he worked at our enterprise, he was only activating one type of modules. He was an expert, but not a top-rated one. Not by any means.

Engr M. Janda, deputy chairman for microelectronics:

A top-rated expert is one who is capable to switch from one module to another and who can work on many different types. He was not the type.

Engr Dostal:

He used to say it himself. "I do not feel like working in development and I do not wish to take part in development."

Engr Janda:

He belonged to the lower level of activation technicians. He was stuck in a routine. He typically performed his function but had no talent for creative innovation.

Engr Dostal:

The fact remains that in the last few months, obviously as a result of his increased extracurricular activities, he was missing on his work. It has also shown in his work effort, which did not used to be the case.

Engr Janda:

As far as his opinions about violation of human rights, he considered it to be a violation when an employee whose evaluation rating dropped got a reduction in wages.

Judr J. Kalac, legal department:

Specifically, the role of a martyr suits him well. He is appealing to some fictitious principles. His concept of freedom and human rights is not clear. His positions and opinions, they are subjective, actually an anarchistic rejection of the government establishment and rules of social life in society. He is concerned with the rights of others, the question is, is it a case of a pot calling the kettle black. When we asked him to cite examples of human right violations in our area, he was not able to come up with any.

But whenever it is time to discuss his own actions, he is arrogant, speaks about harassment and about his heroism. He shows the desire to stand out, to be interesting no matter what the cost. In some cases he managed to strongly influence weaker individuals in his proximity.

Judr L. Cerek, KPU manager:

To say the least, Devaty is very obstinate. He equals his rigidity with adherence to principles. I believe that that is the kind of person the Charter needs, because he is

willing to suffer for the ideas of the Charter, to become a "martyr." He appears to be under the strong influence of the "leaders of the Charter," their willing tool.

I would like to have a psychiatrist's opinion on his type of behavior.

#### Not Only Responsibility But Also Interest

In CSSR and outside, JZD AK Slusovice is considered to be a highly modern, progressive enterprise. This is attested to by details of the management methods, utilization of advanced technologies or cooperation with many enterprises and firms in socialist and nonsocialist countries. The agrokombinat requires of its employees that they turn in honest quality work. It requires enterprise, inventiveness, and fidelity to the cooperative.

If necessary, each of the members must accept a position where his expertise and knowledge of the subject or problem is needed. This reality is anchored in the cooperative statutes which every new member must sign when he joins. It is no secret that in JZD AK Slusovice new members must pass through a number of work places. It isn't anything new that laboratory assistants, technicians, engineers, secretaries, and other professionals must, in the case of need, move to another place to help out in a precarious situation or when there are shortages. It is not a punishment to go to work for a time in the animal or plant husbandry production. This has been experienced by many of the members and nobody usually dwells on it. After all, it is not a shame to lend hand for the joint success of the enterprise.

It will not hurt to show a few cases. For example, members of the Agroteam JZD AK Slusovice, masters of sport and well known racers L. Pavlik, V. Blahna, K. Jiratko, and P. Schovanek did not hesitate to work in the animal production. First league soccer players who benefit by many advantages of the top level sport engagements, repaid the cooperative by working several weeks under hard conditions of cutting down timber. Several cases are known when the managers made mistakes in their former functions and had to move to production before they could return to their positions and use their expertise.

It has not happened before that one of the members did not do what he was asked. The case of S. Devaty, who refused to move to another position, is the only case in the history of the JZD which certainly does not confirm the rule.

#### Why?

Our entire lives are aimed at one goal—to be a good person. Our lives should bring more joy and light to the greatest number of people. It is given only once and we have to use in a way that by looking back we don't have to be ashamed....I am thinking of the frequently quoted



words of Nikolai Ostrovskiy, which became the conviction of our cooperative members and primarily those who stood at the birth of farming on common soil. The soil has always been the source of livelihood and a warranty of continued life for the farmer. That's why there is such a close relation to the soil as possession. It is quite logical that everyone, who was creating these values for us, the young generation, under unimaginably difficult conditions will today stand uncompromising against anybody who would discredit or even knowingly attack anything that has been built in many years of hard work and effort. We all know that our cooperative puts the main emphasis on work ability. We recognize everyone's right to his own opinion, his conviction, whether political or religious. But even that has its limits. An example of where the line had been crossed is a well-known case which occurred in our cooperative. An employee of the department of applied cybernetics, Stanislav Devati, a person, who in the opinion of other colleagues and managers is reliable in his work and turns in quality work, became, for the year 1988, one of the three spokesmen of the Charter 77. Activity of this organization is well known to us. It is anchored in its statutes—an organization for the protection of human rights. We all can agree with that. The human rights should be protected where it is necessary and there are more than enough such places on this earth. The question arises: Why does a member of this organization act here in this cooperative, in an advanced agricultural agrokombinat, if you wish, where a social program and a guarantee of all human rights is implemented at a very high level, in an enterprise where the employees are enjoying all possible advantages of socialism, including the right of one's own convictions... Reports, which we hear from the western public media express solidarity with this person who misused the enterprise, which gave him its trust, and that of his fellow workers for his personal anti-governmental political intentions. Here we have other questions: Why did the Charter 77 select an average inconspicuous person for its spokesman? Doesn't this organization have other more important personalities? Is not the reason for his selection precisely that he is an employee of JZD AK Slusovice?

## HUNGARY

### Berecz: Ideology Lagging Behind Economic Reality

25000106 Budapest KEPES 7 in Hungarian  
12 Dec 87 pp 10-13

[Interview with Janos Berecz, MSZMP Politburo member and the Central Committee secretary responsible for ideology; by reporter Tamas Kocsis: "Which Way We Should Be Heading, and Why"; first three paragraphs are KEPES 7 introduction; date and place of interview not given]

[Text] A few weeks ago, when he met with foreign correspondents following the 11 November meeting of the Central Committee (which, incidentally, was not the

first time the foreign press covered such a meeting), a British newspaper wrote that he is one of the Hungarian politicians whose statements the world is following closely.

Janos Berecz, age 57 and a candidate of historical sciences, comes from a peasant family. For eight years, he headed the International Relations Department of the MSZMP Central Committee. From 1982 on, he was editor in chief of NEPSZABADSAG. He was elected a secretary of the Central Committee in 1985 and has been a member of the Politburo since 1987.

In a recently published interview, he summed up his political creed as follows: "I profess that man is not born to suffer. If he suffers, it is because he fails to recognize the objective conditions, or does not know how to make use of them purposefully, or comes unnecessarily into conflict with other human collectives. Communists are needed to spare individuals, society and the Hungarian nation such suffering (i.e., suffering that does not stem from objective conditions), and to enable them instead to proceed along the road of building socialism, peacefully, in dialog, and choosing their own means and methods."

### Nation Needs Creative Intellectual Life

[Question] My first question is hardly a moot one: What is ideology, and why are ideological questions of importance to us?

[Answer] Ideology is a set of ideas and views which reflect, in a theoretically more or less systematized form, the relationship of individuals with their surrounding reality and one another, and which serve to consolidate, change or develop social relations. Lenin also deemed it important that any kind of dogmatism is foreign to Marxist ideology. Ideology in today's changing world must tell us where we are heading, which way we should be heading, and why.

One of the reasons why we were able to overcome the serious situation three decades ago was that we confronted it also ideologically and were able to provide, for the practical, political and theoretical questions, answers that were sound also ideologically. Or another example: the emergence and implementation of our policy of alliance came about through the fruitful interaction between ideology's renewal and the concurrently evolving new political practice. In our development, as the Central Committee established at its 11 November meeting, we are again in a period of landmark changes. Therefore our ideology, and our entire ideological activity as well, must be renewed. The creative power of the individual must be freed, new ideas must be encouraged, and plans to innovate must be supported. The nation now needs intellectual ferment with a new approach, and the collaboration of its creative forces.

[Question] The country and the population have plenty to worry about. It is therefore no accident that many people are skeptical, in spite of what you have just said, about ideology now being the party's main problem. Or is it the main problem occupying the Central Committee?

[Answer] Economic issues are undoubtedly in the center of our activity today, and we are concentrating our efforts primarily on solving the economic tasks. But I cannot imagine a thinking person who is preoccupied only with how much various things cost, and is indifferent to whether everything occurring in his immediate or wider surroundings is meaningful from the viewpoint of the future, his work, and family. We cannot just keep calculating constantly how much tax we will be paying after 1 January. It cannot be indifferent to us what we know about the present, what we can expect in the coming years in spite of the serious problems, and whether the MSZMP in its role as the country's leader is able to tell us anything meaningful about the future. All this is closely related to ideology.

[Question] Then I will turn my question around. If all this is so important, would it not have been better to pave the way ideologically for the stabilization and consolidation program adopted last summer? In other words, to first work out theoretical answers to the many new things we are now encountering in practice? After all, we all feel it is highly perplexing that very many people do not find reliable answers to what is happening around them. Taboos once sacrosanct, or at least regarded as such, are disintegrating.

[Answer] Time pressed us to have a concrete program in place as soon as possible, one that can be implemented. Clarification of also the ideological questions was not absolutely essential to draft the short-term stabilization and consolidation program, but now it is essential to the program's implementation. In other words, the sequence in this case is not decisive, because the processes are closely interrelated, but now it was warranted to first draft a practical work program.

Regarding perplexity: the clauses held that ideology reflects some social reality; consequently, if social reality is perplexing, then confusion may arise in our consciousness as well. This is the most important, fundamental. Even today in our country, it is essentially the economic processes that determine the environment we are living in and how it affects our thinking. And here the relationship between our present level of development, the tasks we must solve, on the one hand, and—say—taxes on the other, is already a direct one. Which is something that our ideology did not accept earlier, and perhaps even denied.

[Question] But not even ideologists are infallible. One can read between the lines of also the Central Committee's statement that their fallibility has been a significant contributing factor behind the confusion of consciousness in Hungary today.

[Answer] It would be a mistake to seek the causes of our economic and social problems solely in the economy. For we profess that policy must be deliberate, based on experience, knowledge, an analysis of the situation and our perception of the future. Without economic analysis there is, of course, no economic program. But we would lose our way if we were to draw our conclusions only from economic factors, without analyzing also the social and political conditions under which we have to solve our economic tasks, and the foreseeable effects of solving them. That is one part of the matter. The other is that the ideology itself may be flawed, for example, the ideologists' thinking may be in error, or in the wrong direction, and in their conclusions they may be formulating hypotheses that do not agree with reality.

I have said also in my statement broadcast on television that the president of the Hungarian Academy of Sciences, Ivan T. Berend, cited a dozen examples at the meeting of the Central Committee to illustrate that we always go astray whenever ideology fails to aid, or directly hampers, economic or political consolidation. But Istvan Katona, another member of the Central Committee, cited a dozen examples from the past three decades when ideology anticipated and aided political or economic consolidation. And Istvan Tompe said that both speakers were right. Consequently, ideology in our time can be simultaneously both an obstructing and a supporting factor. But we need to add something to this as well. It is always the political leadership that makes the decisions. The political leadership listens to what the representatives of science have to say, and weighs what it itself said in the past and what its own conviction is. If the decisions contain mistakes, they might stem also from having misinterpreted the economic phenomena or from flawed ideology.

#### **Differentiation Indispensable in Distribution of Material Wealth**

[Question] The fact is that ideology as such has not been on the Central Committee's agenda during the past two decades. For more than 20 years, did we have no time for theoretical analyses of the processes that in part we ourselves started, and in part the world forced upon us?

[Answer] It is true that the Central Committee has not considered "explicitly" ideological questions since 1965. However, every party congress did consider the most important ideological questions of the given period. We arrived at comprehensive conclusions only in some areas: for example, in art policy, education policy, science policy, and reform, particularly its concrete economic aspects. The present beginning of a new era ought to be reflected in our conception of socialism, in our social practice, and hence also in ideology. We now have had to prepare a truly comprehensive assessment of our ideological work. I am convinced that the Central Committee has been right not to regard this work as complete, and it has not adopted a resolution. Indeed, resolutions cannot close ideological questions. The ideas

advanced in the Central Committee's debate on ideology ought to spark additional new ideas and enrich the country's collective thinking. Our objective is to keep the study of ideological questions on the agenda within the party; to contribute, from the viewpoint of ideology, toward preparing the debate on the report submitted to the Central Committee regarding the development of our system of political institutions; to help strengthen the party's ideological unity; and to gather information about the various views and trends. I wish to note that we find similar aspirations, for example, within the Polish United Workers Party, the League of Yugoslav Communists, and even in the extremely interesting document that the Socialist Unity Party of Germany [GDR] and the Social Democratic Party of Germany [FRG] issued jointly on ideology and the feasibility of coexistence.

[Question] As evident also from the international response, the fact that the Central Committee did not adopt a resolution at the end of its meeting, and did not raise new ideological barriers to thinking, is being interpreted as an ideological opening, or at least the possibility of one.

[Answer] Had an ideological opening not been the Central Committee's intention when it met, it would have been meaningless for it to consider ideological questions. We had to re-examine some of our ossified views and, on the basis of new experience, come to new conclusions regarding a few important things. Consider reform, for example. We practiced reform, but did not advertise it much. There were international and also domestic reasons for doing so: e.g., the opposition to reform within consciousness. Now we are formulating our reform policy openly, and have to place on the agenda also the ideological interrelations of socialism and reform.

[Question] But there are people abroad, and at home as well, who interpret the absence of a resolution as the inability of the MSZMP to adopt a unanimous resolution, or as the MSZMP not being in a position to adopt a resolution that announces an ideological opening. Why are such views being voiced? And let me add: Is a program not feasible that would be acceptable to everyone?

[Answer] Allow me to repeat what I said at the meeting of the Central Committee: A program or organizational form that integrates the expectations, varying peculiarities and interests of all working groups is not feasible. Therefore we can expect that the groups excluded from the now existing organizational forms will also be seeking ways to express themselves. The fundamental question in this context is whether the spontaneous movements arising in this manner occur within or outside their lawful framework. So long as they remain within their lawful framework, these social actions may be

allowed to make headway, even if their motion assumes unusual forms. Here again, our guiding principle is that we need every responsible socialist force to implement the consolidation program.

We must decide in a principled manner, and yet with ideological and political flexibility, what we want to incorporate from these spontaneous movements of society into our present system of political institutions, so as to enrich its content and organizational framework also in this manner; which are the movements whose representatives we will strive to gain, through patient dialogue, for our partners in building socialism; and which are the ones that must be isolated or eliminated outright. In the entire nation's interest, of course, the dialogue must be conducted with great sense of responsibility and circumspection, taking all recognizable factors into account. Partnerships in this area will not help; it would only cause confusion, weaken the capillary system of public consensus, and might hamper the dialogue itself.

[Question] We are confronted with new kinds of problems and with old views simultaneously. Or, more accurately, are we facing them more openly? The problem of equality or [utopian] egalitarianism [equality without regard for qualifications and performance], to mention just one example.

[Answer] Yes, we are confronted with new kinds of problems, and it is also true that we are facing them more openly. The changes taking place with lightning speed in the international economic conditions are creating new problems almost daily. But now we also know that had we responded more boldly in the mid-1970s to the challenges facing us then—had we implemented a price reform, a wage reform and changes in the product structure—today we would not be where we are. Since we are speaking of ideology, I must say that also ideology, but not ideology alone, is to blame for the fact that we now must implement the same reform, under more difficult conditions and with a heavier burden on our shoulders.

Concerning egalitarianism: Socialism began everywhere in poor societies, under backward conditions, and the equal distribution of poverty appeared to be democracy. It was gratifying for the people to see that, in comparison with the preceding societies, everyone was sharing more equally in the little that was available. Then society prospered and developed—as it did in Hungary as well—and this mode of distributing material wealth became an obstacle to further progress. We nevertheless retained it, because we regarded it as democratic and socialist. Whereas the actual socialist principle of distribution—which, incidentally, ideology has long proclaimed and, therefore, has not been to blame—holds that everyone must share in material wealth commensurately with his contribution to the prosperity of the collective at large. Egalitarianism runs so deeply in our blood that many people today consider differentiation a heresy and believe that we must again divide society into rich and



poor, into entrepreneurs and those who are left behind. But what we inevitably need now is the principle of distribution that whoever contributes more to society's material wealth is entitled to a greater share of it.

[Question] But where is the limit? It is being widely and loudly said, and no, without reason, that it is no longer fashionable to speak of exploiters.

[Answer] A proportion of the population has become fairly wealthy. What should these people do with their wealth? It is in our fundamental interest that at least a part of this wealth be channeled into production and services. To put it differently: Should we encourage a stratum of our population to live ostentatiously and use its money for speculation and corruption? Or should we create conditions such that will permit putting savings to good use, redirecting them into production and services? We are still pondering over an answer to the question of how far private ownership may extend and to what extent it may become "capital." But we are already able to say that society needs the use of savings from labor income. People have a right to additional income from the created surplus value. We have to watch that income from "capital" does not become so large as to make working unnecessary, and especially that it does not determine the social status of a part of the next generation and create thereby unequal opportunities. Society's interest in this respect are obviously conflicting. Therefore we must seek optimal solutions: through a suitable tax policy and inheritance law, for example. It is true that in private enterprise there exist—to use the labels of ideology—private appropriation and expanded reproduction, but this is not "antisocialist" if private enterprise operates under suitable control and in accordance with the socialist economy's interests.

It is impossible to set an exact limit. According to my experience, public opinion is more ready to accept even considerable wealth gained honestly through publicly useful activity, than less wealth acquired dishonestly. However, society's judgment is far more complicated than that. The key issue in our country today is to strengthen state or cooperative ownership wherever one or the other operates well, and to not only tolerate private ownership where it is serving the public interest, but also to encourage it within realistic and always clearly identifiable limits.

#### Intellectuals, the Economy's Dominant Players

[Question] Then which, if any, is the most advanced form of socialist ownership under these conditions?

[Answer] One of our dogmas was that the nationalization of industries immediately created a harmony of the productive forces and production relations. We claimed that state ownership was the most important and the most advanced form of socialist ownership, because of its nature as ownership by the whole people. From which it followed that cooperative ownership was a less

advanced form of socialist ownership, and that the household plot ranked even lower. But practice has shown that cooperative ownership often functions better—more effectively, efficiently and profitably—than state ownership. There was also the belief regarding state ownership that the larger a plant, the more socialist its nature. We now know very well that the division of labor requires also small plants, cooperatives and private businesses, just as huge large-scale plants. But public ownership, in its various forms, must unquestionably be the dominant in the economy, otherwise there would be no socialist system.

[Question] Is this statement valid for socialism in general?

[Answer] The society in which we are living is not yet a fully developed socialist society. Here we have significant socialist elements and are building socialism. In other words, ours is a transitional society that simultaneously bears many imprints of the past and, fortunately, new imprints as well. This is reflected also in the fact that political power belongs increasingly to the whole people, and even the thesis has been advanced that political power is developing from the dictatorship of the proletariat into the power of the whole people.

[Question] We now know that an important cause of our problems has been the undervaluation of intellectual labor. And this is something we have noticed only very late. Why?

[Answer] The manual worker who participates in value-creating work is undoubtedly the most important base of our society. But no longer in the sense of lifting or carrying loads, because he too is developing and becoming stronger also intellectually. The nature of work has changed. Its performance requires more and more education, training and professional knowledge. All this means that intellectual work, and the education and professional knowledge its performance requires, have been revalued upward. It is a contradiction in the practical implementation of our policy on intellectuals that actually this upward revaluation has not occurred. Society's valuation, the moral and particularly the material appreciation of intellectual work are inadequate. Despite the fact that intellectuals have become the economy's dominant players. Could Hungarian agriculture have reached its present level of development without appreciating its own intellectuals? Obviously not. Yet at one time the Hungarian peasant was accused of being conservative. Now, however, the peasants have accepted the white-collar workers wearing slacks. The latter have pulled on boots and are raising pigs on their household plots, just like any other member of the agricultural cooperative, and are becoming united ever closer also mentally. The same cannot yet be said of every industrial plant, it seems. There are a few efficiently operating factories that appreciate their technical intellectuals and pay them more, although a technical intellectual's income still hardly exceeds the income of

an unskilled worker by as much as the difference between the value that each produces. But failure to encourage the technical intellectuals to produce the most effectively is not democracy. We will not get ahead unless we stimulate thinking.

[Question] One often hears that this should apply also to people commonly referred to as the ones who think differently [dissidents].

[Answer] I have indicated also on other occasions my dislike of this expression. Let us speak clearly. Everyone who wants something is thinking differently. If we are speaking of someone being hostile to socialism, then his thinking is not different but hostile. And if someone happens to be religious, instead of being a Marxist and an atheist, then he is not a person who thinks differently, but one of ideological conviction whom I respect and judge on the basis of his conduct as a citizen. Moreover, I will say that on questions of morality, for example, it is worthwhile and necessary to pay attention to the churches. Thinking differently can thus have many different meanings. The essential thing is that we, both as Marxist and as a party, must have an open mind and be ready to debate any idea that contains elements of truth.

[Question] This again is nothing new from the viewpoint of ideology.

[Answer] In Hungary it was expressed for the first time in the 1960's that, in an ideological sense, we are living in a pluralistic society where, in addition to Marxism, also non-Marxist ideologies are exerting their influence. Therefore Marxism must strive for hegemony rather than monopoly: it must influence society rather than dominate it. Ideological questions cannot be solved by administrative means. This is what we have been professing all along, but have not always been able to achieve in every area. Now the Central Committee is of the opinion that there can be different standpoints on the same questions and different conclusions, even on the basis of Marxism. People are thinking and approaching reality from different directions, on the basis of different experiences. Thus debate, the confrontation of different conclusions, is necessary and appropriate even between Marxists. And we must also bear in mind that even the sciences which are being advanced by scientists whose world outlook is not necessarily Marxist are developing successfully, because their approach is realistic. The important thing is not who raises an interesting question, but whether his findings and statements are true or at least a part of the whole truth.

[Question] This must apply also when the persons in question are young. It is undeniably more difficult for today's young people to be recognized as right than it was for the "Bright Breeze" (marching song of the post-1956 youth movement) generation. Perhaps that is also a reason why perplexity, rather than willingness to take action, is typical of a large proportion of our young people today.

[Answer] Often even I am perplexed. Then why shouldn't young people between 20 and 25 be more perplexed? I also approve of the young people's turning to persons whom they judge to be more experienced. I agree that the young people are raising the difficult questions. But I cannot share the views and intentions of those whose reply to these questions is that our society is bankrupt. Who will advance this nation further if Hungary's youth is being preached a bankruptcy outlook? Who will carry on our cause if there is nobody left with faith in our future? I understand those who are disappointed about reform, because they indeed have reason to feel disappointed. Let it be clearly understood that our purpose is to consistently follow through a reform process embracing entire society, including the reinterpretation of the party's leading role, and the modernization and reform of our system of political institutions. For this we must win all those who are bitter because reform appears to have brought us only taxes for the time being. If our ideas and actions are clear and lucid; if we broaden democracy with more say for entire society; if we increase openness that is based on mutual trust and reinforces it; and if we strengthen local government, the formulation of policies, the collective evaluation of economic policy, the joint setting of tasks and their joint realization; then, I am convinced, support for reform will rapidly spread also among our young people, and the crisis mood will abate within our entire society.

#### Consolidation Really Needs Cooperation of Generations

[Question] In the final outcome, which generation will have to solve the tasks that life is now forcing on us?

[Answer] I am biased because I have sufficient confidence in my own generation to say that it is still able to come up with new answers. Moreover, it is also able to organize the successful implementation of the new answers. At the same time, my generation is also receptive, because it is aware that it would not be capable of solving the tasks without the help of yesterday's generation or of tomorrow's and the day-after-tomorrow's. My generation, now in its fifties, would be incapable of action without the people in their forties, thirties, twenties and teens, and also without our elders. Democracy and intellectual vitality ought to be taught and practiced already in secondary school. Dialogue with the younger generation is a task of vital importance. Jointly the various generations, including my own, are such an asset to this country that the real interest of further consolidation requires the cooperation of generations rather than a succession of generations.

[Question] But the generation in its fifties can hardly expect to cooperate free of contradictions with the young people.

[Answer] We must make people understand that an ideal system free of contradictions and boasting only positive features does not exist; that an ideal society free of contradictions is a romantic illusion. We are aware that



the reform's renewal will require sacrifices and their acceptance; that it will have also undesirable side effects and will even generate conflicts. We must be ready for this. As we very well know, the process of development does not occur through automatism over which man has no control. We cannot exclude the possibility of errors and mistakes in the course of the reform's implementation. At the same time, we must distinguish between objective contradictions on the one hand, and political mistakes and errors on the other. We do not wish to avoid responsibility for possible mistakes well in advance, by pointing out the objective circumstances. However, we cannot assume responsibility for what is caused not by socialism, but by society's given level of development, or by processes beyond our control that are taking place in the world.

[Question] Are these, then, the conditions under which consensus must be renewed?

[Answer] I remain firmly convinced that socialism is a great historical venture for the Hungarian nation, and that only socialism can bring this country prosperity. In this sense, it is a question of vital importance for the nation that we strengthen and renew public consensus. Socialism centers around man. The economy, politics, ideology and culture serve him to find fulfillment, morally, politically and in terms of material wealth. Materially we must at least ensure that the people will not suffer want even in this difficult period. Socialism and democracy are inseparable. Rather than narrowing democracy, therefore, we have to broaden and expand it in the direction of public self-administration. So that self-government, a voice and oversight will increasingly become the right of every worker who honestly struggles, works, weeps or rejoices in this country. I cannot imagine any other kind of future for Hungary.

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#### **Horvath: Interior Is Not 'Police Ministry'**

25000084b Budapest MAGYAR HIRLAP in Hungarian  
17 Dec 87 p 8

[Interview with Interior Minister Istvan Horvath, by reporter Erdelyi; in the Parliament Building in Budapest, on 16 Dec 87, the first day of the National Assembly's December session]

[Text] As a part of changing the government's organizational structure, the Ministry of the Interior has been assigned new tasks, which it will have to carry out under a "new" minister who, however, is not a complete stranger to the ministry. Interior Minister Istvan Horvath granted our reporter an interview during a break in the National Assembly's proceedings yesterday [16 December 87].

[Question] Permit me to begin with a personal question: Has your old chair been found in the ministry?

[Answer] I happen to know that it has been found. But at the moment I also have more exciting, substantive questions on my mind.

[Question] Would you tell us about them?

[Answer] When the idea of streamlining the government's organizational structure was raised, the guiding principle was to form a center of administration that would function more effectively. This required, among other things, a reduction in the number of government committees. Likewise a part of dismantling the organizational barriers has been the principle to support the local governments' aspirations, to tighten the ministers' personal accountability, and to reduce the number of deputy ministers so as to make the ministries more independent. For the deputy ministers, whatever their personal intentions, inevitably exercised supervision over the individual ministries, by virtue of their office. Another of our objectives in changing the government's organizational structure has been to create ministries that are more in line with the present approach to administration.

[Question] Speaking of local governments, many people have some misgivings as to whether it is wise to place under the supervision of the Ministry of the Interior the local governments that the councils are now setting up.

[Answer] In the course of drafting the legislation, such doubts were indeed expressed in professional and scientific circles, and before various political forums. One explanation of this, I believe, is also the fact that, from 1952 on, Hungarian public opinion regarded the Ministry of the Interior essentially as some sort of "Police Ministry," even though actually its scope of authority was of course much broader. Hungary's traditions, including the practice in the years following the country's liberation, were a contributing factor to all this. However, the present solution is not some sort of attempt to revive old traditions. Nor does it mean that "Interior" is simply incorporating—or perhaps "merging"—the widest circles of regional public administration into its own organization. Rather, what we have in mind is an integration such that administration, and eventually also the councils' finances, planning and budgeting, are realized within it through government representation that better meets the regional interests. All the organizational prerequisites for achieving this objective are not ensured momentarily, and to that extent the misgivings you mention are warranted. However, the foundations from which to start do exist. And our task at present is to build on these foundations in such a way that will dispel the present concerns, which unquestionably are justified.

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### Minister's Answer to Question in National Assembly Rejected

250000084a Budapest NEPSZABADSAG in Hungarian  
18 Dec 87 p 5

[Unattributed report: "Question Period"]

[Text] Mrs Ferenc Dobos called upon Lajos Urban, the Minister of Transportation, to inform the House about noise abatement at Ferihegy Airport. She briefly reviewed the 10-year history of the airport's reconstruction, and added that decisions which would have reassured local residents are lacking. In his reply, Transportation Minister Lajos Urban emphasized that Ferihegy has been operating as an international airport for the past 35 years, and that its traffic has increased considerably in recent years. As a result, the number of complaints from the 60,000 local residents in the area has also risen. The airport's reconstruction and expansion cost ten billion forints. The old runway—reopened that very day to handle scheduled flights—has been renovated specifically to reduce the noise level. The minister added that 7.0 million forints is being earmarked this year, and 14 million next year, for lots to compensate owners; at the same time, much is being spent also on noise-absorbing forest belts.

The deputy who submitted the question rejected the minister's answer, and the National Assembly voted in the same sense. The presiding Istvan Sarlos sent the question to the Construction and Transportation Committee for further study. On the motion of Istvan Stadinger, the chairman of the Construction and Transportation Committee, the question will be sent also to the Committee on the Development of Settlements and Environmental Protection.

Dr Kalman Suto (Vas Megye, No 9 election district) called upon the chairman of the National Water Affairs Office to inform the House on the matter of the frequent floods along the stretch of the Raba from the Austrian border to Sarvar. The deputy noted that this is a problem of long standing, but it is becoming more and more serious as the financial situation of the agricultural cooperatives in the area worsens. Flood damage is already of the order of 10 million forints. Of the 13,000 hectares flooded in February, 8,500 hectares were plowland. The deputy said that he wished to change the question to a request, calling upon the new minister, Laszlo Marothy, to monitor the problem of the area. The National Assembly will take up this problem again, at its next session.

Zoltan Kiraly (Csongrad Megye, No 5 election district) called upon the president of the National Assembly to inform the House as to when the publication reporting on the debate during the September session of the National Assembly will appear.

Istvan Sarlos replied that he is in favor of publishing such volumes on a regular basis, but the financial implications of doing so must also be considered. For example, *Orszaghazi Hirek* [News of the National Assembly], which had a run of 1,000 copies and has been distributed to the deputies during the current session, cost a total of 234,500 forints. Nevertheless, the officers of the National Assembly are negotiating with the Kossuth Publishing House on printing such publications in larger runs.

Interpreting as a question a passage from the speech that Mrs Bela Szalai (Vas Megye, No 1 election district) made during the morning session, State Secretary Bela Szikszay explained the purpose of the differentiated price index of certain products.

The National Assembly then adjourned its December session.

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### Kopeczi Interviewed on Culture, Education, Intelligentsia

25000191a Budapest BUDAPEST in Hungarian  
No 11, 1987 pp 10-13

[Interview with Bela Kopeczi, Minister of Culture and Education, by Tibor Muller: "Equal Among Equals," under the rubric "Capital City People"]

[Text] Why is it that people hold accountable the minister for every problem? Not those of a personal nature of course, but those of society. Why is it that Bela Kopeczi is the one being pushed in the corner with issues like the Hungarian intelligentsia's declining prestige over several years? Why are they constantly patching up the Hungarian educational system? Why is the case of the National Theatre treated like an orphan? Why do all the musicians get nervous when discussion turns to the Festival Orchestra? Why is it that in recent years the Hungarian book market is flooded with so many flimsy slap-dash works? Why is the Writers Association stewing in its own juice? Who would be able to provide satisfactory answers to all these and countless other questions? Although it is true that the minister is the leader in his field of expertise, he is not omnipotent. He can settle many things, much depends on him, but he does not have a magic wand, a kind fairy who would fulfill at least three of his wishes. He has broad authority, but he does not possess the philosopher's stone. And he is human, of course. With excellent abilities and frailties. He is a human being, who accepted the difficult part of matters together with his official rank. Just why he did so is a mystery. After all, he is a historian of international renown. He is a prestigious researcher, the author of countless significant volumes, the honorary doctor of the Sorbonne and of the University of Rome, an academician. What he needed least was an office. But what else could a scientist do if he was interested in public life, and

his stature is that of a politician? If he wants to not only participate, but to formulate the cultural history of his country? That's when he becomes minister.

[Question] Do you like to be involved in administrative activities?

[Answer] I will acknowledge that I am one of those rare intellectual types who likes to organize and likes to observe the results of such work.

[Question] Almost without exception the interviews you granted probe the odd situations created by the conflict between the scientist, the creative person, and the official, (even if that official holds the highest rank). I do not know whether in your case there is such conflict, after all, you published a book in each of the five years you held the position of minister.

[Answer] There exists a conflict, nevertheless. Can research and teaching activities be pursued at all parallel with official activities? I have won that bet, to use this Pascalian term. Except for a very short period of time—three or four years—I was never able to occupy myself with one matter only.

[Question] This exception was the period when you were an academician, when you attended the duties assigned to the executive secretary of the Janos Arany Chair?

[Answer] The post of the executive secretary for the Hungarian Academy of Sciences involved much administrative work. Also poor Janos Arany complained a lot about this fact, even though in his days the Academy did not have all those institutes. But this is not the part of my life I am talking about. The one I have in mind is when I held the French chair in the philosophy department of the Lorand Eotvos University of Sciences. But fate was kind to me only a little bit, when after a very short period of time I was elected to the post of deputy rector.

[Question] What is your original occupation?

[Answer] I began my career as a teacher of French, Romanian and Italian.

[Question] And what ranks highest among your present interests?

[Answer] The Age of Enlightenment and the intellectual world of the 20th century.

[Question] One of your critics said that your latest volume is a handbook of Hungarian culture.

[Answer] He referred to my booklet entitled "The Path of Hungarian Culture" which is a handbook in the fullest sense of that term. It is a handbook even in the sense that it provides data and documents, it is intended to have a primarily informative character. Aside from that, however, it also takes positions. And the credibility of the

volume flows from the fact that I lived through the past four decades simultaneously as an intellectual, an official, and a politician, if you will. Neither the previous, the first edition, nor the revised second edition stood out as a result of evaluating Hungarian intellectual life, and particularly cultural policies, as representing some kind of a glorifying trend. But I will admit that I was far more optimistic at the time the first version appeared in 1975, than a decade later. In the meantime some economic, social and cultural transformations took place which could not be part of a view of the world in the early 1970's. These changes did not prove correct my optimism.

[Question] It is not attractive to be an intellectual these days. Do you know why?

[Answer] Look, there evolved a social atmosphere in which the acquisition of material goods came to forefront. This is a reaction to the sizable poverty we experienced before. And because there emerged an opportunity for people to improve their lives, I do not find anything fundamentally wrong with this. Less time was available for deeper, cultural endeavors, i.e. for reading, concerts and visits to the museum, while people acquired material goods. It follows, that when the second and third economies consume people's time, the position of intellectuals and artists in society weakens. And it also weakens because the intellectual's and the artist's position in the economic hierarchy is at a lower level than before.

[Question] The other day I spoke to a mathematician who spends every third semester in the United States. He explained to me that while a professor or a researcher receives much better pay at Princeton University, his prestige is much greater in Hungary. Isn't there a contradiction in this?

[Answer] Yes, there is. I believe that this is a conflict which has not yet been confronted by Hungarian society. The conflict can be found in the fact that in Hungary, but also in Eastern Europe, intellectuals had a special role. The primary reasons for this are historical. The intellectual was surrounded with a peculiar kind of prestige. The effect of classical culture on the molding of the people's political, ideological and moral character was rather large. This prestige was similar to the one held by the vocation of priesthood. Yes, but in our days the composition of the intelligentsia has been changing. The natural sciences, and the cultivators of those sciences have acquired a substantially larger share of prestige. I could say that there is a kind of reorganization in the world. It is the representatives of the sciences who increasingly serve as the model, as the example for succeeding generations. And we are witnessing this change, this moaning and groaning drudgery.

[Question] I understand. It is another matter of course, whether this other intelligentsia will accept, whether it is willing and capable of accepting the so-called lead role of scholars with a classical culture.



[Answer] Look, in the West they say that the age of the gurus is bygone. To mention a recent example: Sartre was the ideologue not only of the narrow stratum of the literary intelligentsia, but of an entire generation. Today this is viewed as virtually anachronistic. And we can find such examples in Hungarian intellectual life also, to mention just one: Laszlo Nemeth.

[Question] Is this the source that nourishes a certain kind of nostalgia?

[Answer] Quite naturally. But the essence is that the ideological influence of the intelligentsia has fallen into the background, and I mean this in the broad sense of the term, not only in terms of its political effects. Stated more accurately: this influence was transferred to the other stratum of the intelligentsia. Some specific indications of this can be seen to the West of Hungary. We can see this in the fact that for instance the intelligentsia working in the areas of the natural sciences takes much firmer positions on social issues than it did 10 or 20 years ago. And this presents no problems. The important thing is that they recognize that they have such responsibilities. Just think of the increasingly strong moral and social presence of physicians. The dichotomy of the two cultures is slowly coming to an end.

[Question] Do you feel that the new intelligentsia working in the fields of natural sciences is changing into some kind of a new 'renaissance man'?

[Answer] This is what we are talking about. Into an ideal which takes culture into possession as a whole, or is at least capable of perceiving culture as a whole. Do you think this is some kind of fantasy?

[Question] I would like it not to be fantasy. In any event, the world would become a sadder place to live in without having classical intellectuals.

[Answer] I believe that for the time being this menace does not threaten us. But in however resigned fashion, we must notice and must understand that within society, within science and within culture there are evolving processes which do not permit the 19th century intellectual to be the sole example, the only guide.

[Question] Is it possible today to acquire encyclopaedic knowledge, even if one uses the natural science approach?

[Answer] No, that is not possible. That is a hopeless venture. But to be informed to an extent that we recognize correlations is possible. There also exists a kind of restlessness in trying to draw certain philosophical and ethical conclusions from accomplishments in the natural sciences, in physics and in biology. In this respect I can envision even revolutionary changes.

[Question] We need many cultured minds. We need schools. Good schools. I am unable to judge how our educational system ranks in Europe.

[Answer] Schools experience crises throughout the world. These crises emerge not primarily because of intramural factors, but as a result of societal expectations from schools, from the momentary conditions of sciences and culture. While development defines these issues in different ways each year, we must endeavor to achieve stability in terms of education. And if I add to this that the educator is the most important element in schools—educators whose prestige is on the decline for economic and other reasons, in other words, the educator is no longer the one who holds the lantern as he did a few decades ago—then we have reached the root of our problems. The truth is that schools are no longer able to fulfill the dual role of creating both specialists and whole men. Our chances to prosper as specialists are better, as complete men we have more difficulty in succeeding. Knowledge will be acquired if the economy and society establish more stringent requirements. We are not better off than others in molding "complete men." In any event, we do have a developmental program, we do have an education law that is built on that program, the rest, namely the realization of all this depends on the 200,000 educators who work in schools.

[Question] If they let them.

[Answer] That's true. If they let them realize the program. And if they accept that task. The education law attempts to establish guarantees to enable schools to stand on their own feet. So that the guardianship exercised by councils discontinues. To mention just a few things: the election of principals, the independence of the body of educators, reduced administration, self-governance, etc. But it is harder to initiate things, to follow our own dictates, than it is to implement instructions.

[Question] It may be more difficult, but it is more attractive.

[Answer] Fine. But what percent of other strata of the intelligentsia would accept the task of being this creative? You need not answer. Believe me, we are constantly struggling to motivate educators to take advantage of these opportunities. The provision of funds is our job of course, that of the cultural sector of the government, and it is not easy to bring about change because the Hungarian school system is based on prescriptive, directive models. The situation is not hopeless. And there are students who study diligently. Let's acknowledge that. Not too long ago, when things were directed from the top down, the public mood sensed that everything was fine. Now that things are not directed from the top down, the public mood indicates that everything is wrong. Neither of these public sentiments reflected the true situation.

[Question] What is the strategy?

[Answer] I could not say that we can succeed by launching a frontal attack. We can proceed only [by pursuing change] area by area, branch by branch, from one type of school to another if you will, virtually from one subject of learning to another.

[Question] Undoubtedly good schools do exist. Particularly in Budapest. What is your opinion about elite training?

[Answer] That does not bother me. I profess that the training of elite groups must be based on abilities and functions. What does that mean? It means for instance the establishment of bilingual high schools. At present about 500 students begin their studies in such schools. It is a five year curriculum. In a certain sense this represents elite training. But it is elite training in a manner so that selection is not based on social discrimination. And this is essential. We gave so much consideration to this factor that we established a zero grade in which we are trying to establish an equal opportunity [to succeed] through intensive language studies. But this applies only at the start. I must confess that I am very proud of this. I am very glad that we were able to accomplish this in Hungary. We made use of all kinds of foreign connections we have. We reached an agreement with the British Council, with the appropriate ministries in the GDR, with the Soviets, with the appropriate authorities within the French government, and I hope that before soon we will also have Italian and Spanish agreements. This should represent a breakthrough. And we also have experimental schools where they introduced the [Pest]-szentlorinc model, in other words, the students are engaged in productive work in addition to studying. And there are some other similar conceptions.

[Question] Yes, but the time it takes to complete such experiments in the educational field is ten years. At least it takes that much time to find out that things did not work out. Do we have that much time?

[Answer] We must assume that risk.

[Question] I am certain that this is so, because in our difficult economic situation our only hope is pinned to intellectual capital. We should be increasing that intellectual capital. But the fact is that in Hungary the number of those who enroll in higher level education not only does not increase, in recent years it has declined. Well, how does that happen?

[Answer] It is true that in regards to the number of students, we are among the stragglers in Europe. The picture is not the same if we view the number of persons who hold diplomas. In other words: in Hungary the prior selection is very stringent. It is the system of admissions examinations. In my judgment there is no problem in that respect.

[Question] The question is whether this selection should not be done at the universities and academies.

[Answer] That also is a solution. Annually 40,000-50,000 young high school graduates apply for admission, and we accept 16,000. Concerning this figure the annual dissatisfaction manifested by society is rather great. It is true that this dissatisfaction could be ameliorated by a greater degree of openness and through the selective drop-out effect throughout the year. But in reality this too is an economic issue. To do this we need means, teachers, buildings.

[Question] And of course, we were concerned for quite some time about intellectual overproduction.

[Answer] The mistake was not made in the assessment—workforce planning perceived the movement of the future well. It is real life that contradicted the numbers.

[Question] Knowing all this, how much do you think a Hungarian diploma is worth?

[Answer] Look, those who graduate today, if they enter Western or American universities, need not start out with a feeling of inferiority. And there are some extraordinary talents also. In Hungary the picture is different. First of all, the researcher, the theoretical and the practical person do not understand each other. They speak different languages. The technical surroundings, technology and the background economy are out of date. Their job is more difficult. There are fewer expensive instruments, and fewer institutions that are well-equipped. But you should read SPIEGEL to see how West German students enrolled at the Semmelweis University of Medicine speak of the standards of that institution. Your vest will burst instantly.

[Question] Are Hungarians more cultured than they were, say, 20 or 25 years ago?

[Answer] Insofar as schooling is concerned, the numbers should certainly serve as proof. And here is the hierarchy: those who have completed their university education are more interested in the intellectual world than the high school graduates, who are more interested than those who completed eight grades of elementary education. In general, that is. In this sense then we are more cultured. It is more difficult to provide an unequivocal answer, however, if you were to ask by what degree we are more cultured. In these days we have gone through a transformation of the value system, and with that society went through a certain crisis process. As a result it would be very difficult to say what I consider as cultured conduct. I feel that in Hungary the source of many conflicts is the uncultured nature of human relations.

[Question] In conclusion permit me to raise some personal questions. At one point in time you stated that a 12 hour workday comes as natural for you. Isn't that a bit too much?



[Answer] Look, there were periods in my life that were more difficult. Illnesses, what have you. But physically I managed this pace of work quite well. I even felt a certain sense of enjoyment for not being tired as a result of the quick pace of work. One does not grow younger and does not become more resistant as the years go by, of course. Perhaps I should relax the reins somewhat. But if I do robot work during the day (because undeniably, part of the office provides that kind of work), and in the evening I have in front of me Eugene de Savoya's reports to Emperor Charles IV concerning the manner they wanted to capture Rakoczi on his way to Turkey—well, the adventure is worth as much as a combined pep-shot. Because at present I am preoccupied with my book entitled "Rakoczi in Hiding." It is this easy to relax.

[Question] Are you from Budapest?

[Answer] I was born in Nagyenyed. From a small town, though an intellectually rich small town I moved to a big city where I began my elementary studies. I came to Budapest in 1940 following the second Vienna Award. The big city provided a special adventure to me from the standpoint that unlike Budapest, one could easily survey Kolozsvár. I found the solution in finding a smaller intellectual city for myself within the city of Budapest also. That meant the Eotvos College, the Pazmany Peter University of Sciences, the libraries, archives, theatres and museums. From my viewpoint Budapest is primarily a cultural center, and that is how I live in the capital city even today. This does not mean that I am not involved in the everyday life of Budapest. Of course I am. But let me state that so far as I am concerned the everyday life of Kolozsvár were more pleasant.

[Question] The "History of Transylvania" was published with your significant involvement. It created a rather major controversy. Following publication some people appeared to have known already your address in Paris, meaning that you were a defeated minister. How much of this is true?

[Answer] Conjectures, nothing else. I would have had many opportunities to enter the foreign service if I wanted to. Did they want to send me? Well, I'm still here. If they wanted to ease me out it would have been simpler to retire me while "recognizing my contributions." Concerning the essence of this matter, however, a unified position evolved between the scientific sphere and the political leadership to the effect that we are not willing to interpret the relationships between science and politics in the old, dogmatic way. It is obvious that there will be political reverberations if a scientific book is published on a subject like the history of Transylvania. In any event, the book contains our knowledge of the various ages, events and figures of Transylvanian history. We knew that Romanian historical writings and the Romanian political sphere took a different position. But in our judgment the difference was the subject of scientific debate and not one of politics. Hungarian public opinion accepted this viewpoint. Aside from that, it is

my opinion that had these volumes not appeared in this over heated atmosphere, the resultant controversy would have been smaller by far. Some historical theses were over politicized. But I do not feel that even this could not be remedied, or that this could be a factor that hinders peaceful coexistence. We're not talking about a flawless piece of work, nor do we feel that this is a creation of infallible authors. We would be pleased to analyze the history of Transylvania before a scientific forum. But I feel directly offended by endeavors which try to relate the book to the political ideology of the Horthy system. They are talking about nationalism, reactionary sentiments, fascism, and the underestimation of nations. This is even more odd because the area in question belongs to Romania today, and no person in his right mind would raise issues pertaining to the revision of borders in Hungary today. In discussing diverse features of the common history, the subject of discussion is more in the vein of cooperation.

[Question] There exists a sense of duality in Hungarians: on the one hand this amounts to half-heartedness, on the other it is the consciousness of a missionary. Don't you see it this way?

[Answer] It is not only I who sees it this way, but our entire history proves that this is so. I feel that the sense of missionary consciousness must be cultivated because in times of crisis the nation is inclined to underrate itself. Even though it is indeed unique that a linguistically and culturally isolated people like the Hungarians were able to survive. I do not intend to exaggerate patriotism, but undoubtedly we are really able to produce results in the culture, science and arts of this continent. This of course does not mean that we should present ourselves as having a hypertrophic national consciousness, to demand some leadership role for Hungarians. We cannot have such expectations. But yes, we can expect to be equal among equals.

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#### **Proliferation of Foreign Charitable Foundations Welcomed**

25000101b Budapest NEPSZABADSAG in Hungarian  
30 Nov 87 p 5

[Article by S. Andras Boda: "We Will be a Country of Foundations"]

[Text] "Slowly we will be leading the world in the per capita number of foundations," so speaks my friend the engineer with undisguised antipathy. Many things serve to motivate his antipathy, among them most certainly the fact that an overwhelming majority of the foundations rewards the intelligentsia with a classical background, but also the fact that some of the endowers are foreigners, or more accurately: Hungarians who moved abroad may also play a role in [the formulation of] his adverse view.

Does this present a problem? I don't think so. Nevertheless, the other day an apprehensive reader phoned to ask me, or perhaps not even me, the following question: "Tell me, please, are we so poor that we are in need of alms?"

I do not understand the adverse feelings. What is wrong, if anyone guided by the most decent intent to help, endows some noble objective? Who would dare to call endowments provided by say Gyorgy Cziffra or Blanka Pechy "alms," at a time when these individuals are perhaps the most selfless supporters of Hungarian culture and language.

It is very difficult to list all the foundations that exist in Hungary. Partly because of their large number, partly because an overwhelming majority of the endowers do not seek publicity, but view action as their aim. It is in this way that only the narrow group of "gift recipients" knows the name of that elderly couple from Csongrad County which offered its family home to benefit the future expansion of the social home. And who knows all the foundations in an increasing number of alma maters which are endowed by the old alumni to reward the best of their successors.

Yes, it is the foundations' purpose and the action that is of the essence. And of course, we could also brood over the fact that we are talking about forints here, and God forgive, about dollars.... The response is once again defined by the objective, the intent and the action. Because not even the smallest amount constitutes alms if it effectively serves a noble purpose, and the largest amount may be humiliating if it dwarfs the purpose and merely turns into some other kind of tool. And it is equally not unimportant what aims these foundations serve. The real foundations are endowed in a manner so that the faith, wisdom, commitment or bias of the founders provides and discovers new values, new tasks for us—they represent selfless, voluntary rewards a little bit in place of, as well as in the name of society.

Do we need foundations? Stated this way the question is raised incorrectly, because foundations are not dictated by needs, and as to their majority, not by necessity. Instead, it is the innermost intent of the endowers, and a recently discovered merit that needs to be recognized and rewarded which serves their larger or smaller environment.

Most certainly the number of foundations will increase in times to come, and even our newest tax law supports the foundations: they were declared tax-exempt. We must rejoice over both of these facts. Foundations are the clear fountainheads that signify links to the country and the people—if we preserve their purity.

## POLAND

### PZPR Briefs Army General Staff on Reform

26000162a Warsaw ZOLNIERZ WOLNOSCI in Polish  
5 Feb 88 p 5

[Text] A meeting of the deputy director of the Department of Socio-Economic Policy of the PZPR CC, Wlodzimierz Hausner, with officers of the Polish Armed Forces General Staff, lasted longer than scheduled. The main topics of discussion were the wide range of current and officially-recognized social and economic problems, and the regulation of economic processes in phase II of the economic reform. Wlodzimierz Hausner briefed participants at the meeting on the planning for and the actual process of implementing the economic reform, of the factors affecting the implementation process, the role of the central government, the workplace, management, the workers' council and the concept of self-management in the broadest sense. He stressed that the enforcing the provisions of wage and price policy was only one of many components—and not necessarily the essential one—in reforming the economy.

## YUGOSLAVIA

### Prospective Disinflation Scenarios Examined

28000028 Belgrade NEDELJNE INFORMATIVNE  
NOVINE in Serbo-Croatian 15 Nov 87 pp 12-13

[Article by Branko Colanovic: "Disinflation Scenarios"]

[Text] Inflation has taken on shameful proportions. Reducing it has been justly proclaimed our primary task today. We are confronted here with the economic term, "disinflation," i.e., eliminating inflationary pressures with the aim of maintaining the value of the country's monetary unit. The process is difficult even in mature market economies and is very painful in our case.

For countries with established market relationships (capitalist) and institutions, the usual disinflationary program—according to the literature—is based on direct restrictions on final consumption and has several major components: controlling purchasing power (from increasing fiscal burdens to freezing wages and prices), tightening credit, raising interest rates and creating budgetary surpluses.

This shock therapy, by reducing demand and consumption, lowers the rate of inflation rather quickly, but the shock in itself affects both production and employment. The curve representing the social product heads downward and unemployment increases.

Some Yugoslav economists—let's benignly call them "shockers"—recommend shock therapy. One "shocker" scenario in the air recently includes a 6-month freeze of the money supply, wages and prices; a real interest rate of 1 percent; eliminating all subsidies; taxing income

acquired through favorable price disparities; and a one-time devaluation of the dinar by 15-20 percent. Cicero would have shrieked, "Hic haeret aqua," i.e., my time is up, and genuinely so. Freezes might be considered for a heavily overheated economy in which the prices on factors in production are reasonably at parity.

### Painful Questions

Sue's is not the case with the Yugoslav economy. A 6-month hibernation would find the economy not overheated but the opposite. The social product is stagnating; facilities are inadmissibly underused (approximately 63 percent in industry); economic investments are declining in real terms; personal incomes and consumer credit likewise. Moreover, payments on foreign debts reduce disposable social product by about 10 percent a year. Labor productivity is in a chronic decline—approximately 1.5 percent a year on average during the period 1981-1986. On the other hand, one of the worst features of the Yugoslav economy is large price disparities—largely unchangeable up to now—approaching ridiculous dimensions.

Yugoslav disinflation will inevitably be a medium-term process. It must include perceptible growth in the social product and the removal of crude price disparities.

If growth in the social product could be propelled away from the stagnation that has persisted for years, that by itself—other things being equal—would influence some of the factors causing cost inflation: production costs per unit of product are increasing in Yugoslavia, while declining in other countries. There are also other important advantages. A further jump in unemployment is avoided; stocks of goods for export increase; the balance of payments and standard of living improve.

There is probably no doubt that there are latent possibilities for increasing the social product at a rate of around 4 percent a year. Long ago we would have considered even this to be inadequate, but the period 1981-1985 made us look at the expansion of development much more modestly. During those 5 years the social product grew on average almost negligibly, only 0.7 percent a year. However, a substantial increase of 3.3 percent occurred in 1986. A renewed, perceptible slowing in 1987 appears to have resulted for the most part from the country's overall foreign exchange illiquidity.

### Foreign Exchange Capacity

If almost everything has been said, and repeatedly, concerning the extremely poor results of the Yugoslav economy, among which the worst are the underuse of productive facilities, low labor productivity, inefficient investments, and excessively slow capital turnover, and if it sufficiently clear that exceptionally large potentialities exist in these realms for a rapid upsurge in the social

product, then we shall limit ourselves here to the country's foreign-exchange capacity, which is certainly now of primary importance if faster growth in the social product is to be achieved.

The following five factors are involved. First is the rescheduling of foreign debt. This is advisable for two reasons, to add to the effective foreign-exchange potential and to establish harmonious relationships with the international financial community, without which we would be difficulty avoiding being "outside the law" (including having property confiscated). It is important to try to get the most favorable conditions possible. Objectively, prospects are bad, since the outlook for recession-prone international market conditions might induce foreign creditors to avoid alternative reinvestments in third countries.

The second is opening up areas for joint investment with foreign entities as rapidly as possible. The same chance of recession, along with other factors, might impel foreign partners more towards Yugoslavia, if given approximately the same business and legal conditions as in other countries. Two hundred million dollars a year is the minimum to be sought as soon as possible.

The third is recovering the foreign-exchange potential that, legally or illegally, exists within the Yugoslav individual sector (at home and abroad), then channeling it into economic purposes. The steps needed to attract foreign exchange to govern use, and to prosecute offenders are obvious and can have an effect quite promptly.

The fourth is increasing rapidly the export of goods and services. This is usually placed at the top of the list but is the most difficult to achieve. The problem is in equalizing exchange with eastern European countries. We are seen as an outsider in the European Community. We have not been able to put together large concentrations of assets for exporting to developing countries (for financing the sale of capital goods), nor can we absorb the products of their traditional export structure. Perhaps the greatest prospects are offered by the United States, but this market is very difficult for our export capabilities (Yugoslavia can export to Czechoslovakia, for example, much more readily and in greater volume than to the United States). In any case, however, the problem of real exchange rates exists. One possibility is to eliminate the glaring disparities in Yugoslav domestic prices so that a policy of real exchange rates, with modest subsidies, might be carried out. Exports cannot increase substantially with the present disparities among domestic prices. Another possibility would mean forcing ourselves to abandon the system of a unified exchange rate for the dinar, which would mean taking an enormous step backwards and which would be in obvious conflict with international financial institutions.

The fifth is to accept new foreign credits on the condition that they be used for productive purposes and for investments which have a quick return, and which provide, at



least indirectly, a high level of investment efficiency. The idea of a reduction in principal needs to be rejected under current conditions but we should also see if foreign creditors might drop the ratio of annual repayments to below 20 percent of the country's foreign exchange income (instead of the planned 25 percent). Any idea about interventionist imports of luxury goods on credit needs to be rejected for the moment; the same applies to compensatory transactions and the like.

Within this framework, a capacity can and must be created to meet foreign-exchange needs in order to increase the social product by 4 percent and to make payments on rescheduled debts. However, while on the subject of increased growth in social product, two directions of development should be emphasized which are less dependent upon imports and have great significance to the whole stabilization project. I refer to agriculture and small business.

#### What Miracle?

Without faster growth in agricultural production, the balances demanded by a disinflation policy cannot be achieved. Even shock therapy, with wage and price freezes, would fail, due to the chaotic state of Yugoslav agriculture. Since food consumption is highly inelastic, freezing agricultural prices in the social sector would lead to a decrease in supply, while the private sector (which accounts for approximately 70 percent of the total social product in agriculture) would naturally attempt to gain via price increases if not affected by the freeze.

When rural areas are completely abandoned, what miracle can we expect? Deukalion, king of Thessaly, and his life's companion Pira, having escaped the universal deluge, threw stones over their shoulders which turned into men and women. However, no such myths exist among our modern ones.

Small business might seriously contribute to an increase in employment, to the enrichment of the tertiary sector, to directing the savings of the people into productive purposes, and to attracting the foreign-exchange potential of citizens within the country and from abroad. In this regard, what quantitative goals of economic policy have been set, are there credible appraisals at all about the potential hidden here, and can policy escape from the prejudice that progressive social relationships on paper are more acceptable than the genuine prosperity of a human producer and his inclination to work productively?

What must be included in a Yugoslav disinflation program? In the first place, it must contain a non-evasive postulate on the unity of the market. A unified market is an indispensable condition for bringing down inflation in the Yugoslav self-managing economy. It is a principle which might be rejected only if contractual statism were agreed upon by the republics and provinces. This is a

guiding principle which by itself alone, according to what it represents and what it implies, must be a powerful force in reducing cost inflation, in making production and investment more efficient, in reducing unbearable social administrative expenses, and in advancing Yugoslav integration in a vital sense, without resolutions and appeals.

Unfortunately, the present constitution does not offer a basis for unifying the Yugoslav market. To this end, the following factors need to operate effectively and harmoniously:

1. A unified credit and monetary policy. For the most part, the constitution provides for such a policy, which is divided and undermined in practice by disjointed responsibility among the national banks of the republics and provinces and by weaknesses in the country's legal system.
2. A unified foreign economic policy. For the most part, provided for by the constitution, but seriously hindered in practice by weaknesses in the legal system.
3. A unified price policy. Such a policy has not been established by the constitution. Authority is divided among opstinas, republics and provinces, and the federal government.
4. A unified tax policy. The situation is the same as for prices.
5. A unified policy on personal incomes. The situation is the same as for prices.
6. Free movement of accumulation across the entire area of Yugoslavia. The current constitution territorializes the use of accumulation, either by unsuitably determining the status of commercial banks or by binding excess profits to the territory in which it is earned, etc.

The disinflation program must be especially forceful in dealing with personal incomes and related tax policy. Personal incomes as a whole, as well as in terms of the related assessments for the social superstructure and housing construction, are not in line with trends in the social product and labor productivity. Differences in personal incomes between republics and provinces are enormous and inadmissible. They do not correspond to the results visible in regard to regional and branch-level accumulation in the economy, i.e., the ratio between realized accumulation and utilized assets as a whole. For 2 years, personal incomes in some jurisdictions have been obviously increasing only by simple indexing relative to inflation without any connection to realized accumulation, to be tacked onto retail prices and spread as a wave of inflation throughout all of Yugoslavia.

From all the above, a program of disinflation can be seen to be inextricably interwoven with a program of constitutional changes. One can therefore understand opposition to vital change in one or another respect. Some people have indeed coexisted quite nicely with inflation and with shifts in earnings, insisting not on rational arrangements for social and governmental institutions intrinsic to a market economy but rather on some heretofore unknown, enlightened decentralism via the republics and provinces.

### Little Faith

The test of various attitudes toward a serious program of disinflation will come quickly, when the inevitable new investment cycle comes to be discussed. Such a program is necessary for an increase in the social product and will have to include many "racy stories." For example, how to increase accumulation intended for economic investments by trimming and cleaning out the many institutions outside the economy which have prospered on the wave of the contractual economy; opposition from the bureaucratic superstructure will be extremely violent. How to achieve the selective concentration of accumulation freed by the rescheduling of foreign debts; regional interests will be a very difficult barrier. How to arrive quickly at mutual investments with foreign partners; prejudices and ignorance will continue to stand in the way. How to include small business in the investment cycle; opstina bureaucracies and others will raise their voices. How to make optimal investments in large systems (railroads, the electrical industry...); the "national economies" will demand their priorities. How to strengthen the role and position of the domestic capital-goods industry; foreign companies, rather strongly established in the Yugoslav investment market, will seek channels to prevent this. How to reform the long-outmoded system of investment in underdeveloped regions; we will hear the argument that underdeveloped republics and Kosovo, for the sake of their statehood, should have complete freedom in choosing investments.

There are indeed still quite a few questions like these, but we let us allow ourselves a little faith that the program of disinflation will nevertheless find acceptable answers to them in the end. Finally, even the unfortunate Pandora, after she opened the box from which flew all the evil in the world in all directions, found at the bottom a small green bird, a symbol of hope. Surely we have the right to one bird of hope. Without it we would be left with the sterile concept of "perfecting the system," which is decades-old, and which ultimately finds us on the other side of perfection.

### Protests of Serb Women in Kosovo Described, Appraised

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[Article by Darko Hudelist: "Kosovo Autumn '87"]

[Text] The mass protests by women of Serbian and Montenegrin nationality in Kosovo which have excited the Yugoslav public in the last few days support those who assert that for the next 5-6 years the Kosovo question will be a domestic policy issue that cannot be categorized. During the period mentioned, Yugoslavia must really give Kosovo the unique attention that it truly deserves, especially since the circumstances of individual events in the province are becoming worse from day to day.

The atmosphere in Pristina and surrounding it has never been so heated and uncertain, and the relations between Serbs and Montenegrins on the one hand, and Albanians on the other, have reached a critical point at which conflicts on a greater scale appear almost inevitable, and the fact that recently women, at least in appearance, have been the most vocal, seeking even military intervention, gives the whole drama a more than pungent taste.

This does not mean that the residents of Pristina, as one might conclude from some newspaper articles, walk the streets with knives or firearms stuck in their belts, and that around every corner there is someone lurking who could kill you for any reason at all. As far as this is concerned, Pristina is calm (and predictable), almost like any other city in the country. Even its well-known Korzo is not what it once was: pedestrians mostly stroll along a road that is closed to traffic during the evening hours. There are fewer people strolling along the sidewalks on the left and right sides of the street, where it is difficult, however, to recognize two monolithic, strictly separated ethnic groups. Admittedly, detractors have an answer ready for this recent phenomenon: even the few Serbs and Montenegrins there have already moved out of Pristina, and now no one is different from anyone else when those who are left are all the same.

Things are noticeably more tumultuous in the so-called Serbian capital of Kosovo, Kosovo Polje. In that town, only 8 kilometers from Pristina, a protest meeting of women from that town and several others in the province was held on 21 October in the Cultural Center, before more than 3,000 excited citizens and in the presence of the presidents of the Conferences on the Social Activity of Women of Yugoslavia, Serbia, and Kosovo. The meeting was planned as a response to Fadil Hoxha's already famous statement, but also to the increasingly more frequent verbal and physical attacks, especially against elementary and secondary school children of Serbian and Montenegrin nationality, by their schoolmates and by adult citizens on the other side of the ethnic barrier.



In the portion devoted to harsh condemnations not only of Fadal Hoxha's controversial statement, but also of his entire political, moral, and personal integrity, the meeting turned out to be late, since before it began, all of the radio stations had already broadcast the news that the Presidium of the LCY Central Committee had decided that very day to expel Hoxha from the membership of the LCY Central Committee and from the Council of the Federation. It turned out that the women of Kosovo Polje were heatedly demanding something that was already a fait accompli, resolved in a much more authoritative place than a rural cultural center. In its other aspect—as a response to repression by some Albanians—the meeting was intended to serve as a sort of culmination of several gatherings organized 1-3 days earlier in villages near Pristina and Kosovo Polje, meetings ornamented by a boycott of Serbian-language education at several elementary and secondary schools. After the event in Kosovo Polje the situation calmed down to some extent, although during the writing of this very article a sizeable assembly of women and children was taking place in Urosevac (where the flagpole displaying the banner of the Albanian nationality was broken). For the time being, at least for the next few days, it is certain that there will not be a united boycott of the instruction of pupils of Serbian and Montenegrin nationality throughout Kosovo, which has been discussed fairly seriously for some time.

Observers receive a two-fold impression from meetings like the one in Kosovo Polje. One cannot remain indifferent to all the tragic stories of the weeping, or, as is increasingly the case, militant women at the podium, and one cannot be indifferent to the individual and collective fates of the members of peoples who are obviously having a difficult time in Kosovo. On the other hand, however, it is difficult to feel solidarity with everything that is heard and seen around one, especially since part of our press is being too one-sided in covering events in the province, stressing only one side of an extremely complex and hardly evident truth, and suppressing the other side, which could apparently harm certain political enterprises and ambitions that have been active for a long time.

First of all, it is difficult, and actually impossible, to believe that the demonstrations under discussion are as spontaneous as they are presented and as others want to present them. Those on the stage now are women, insulted and angry, who want to settle accounts. But haven't their husbands, until recently the orchestralists of such spectacles, deliberately withdrawn, since to a considerable extent they have been exposed and discredited in the eyes of the public? It is no longer a secret that in Kosovo Polje things are arranged by a flawlessly organized committee for the Serbian and Montenegrin national question (headed by K. Bulatovic, M. Solovic, and other mostly well-known names), which, as a result of its extraordinary mobilization, is capable of gathering 2-3 thousand citizens to demonstrate in any town in Kosovo within one day. The leaders of that semi-legal

organization use any scandal with a nationalist basis, even the slightest, as an occasion to holding meetings at which up to 500 outsiders, who do not live in the town where the assembly is held, are gathered through a private system of information.

It is precisely these traveling demonstrators who are the most interesting, but also the most controversial, part of the whole story. Their euphoric speeches at town halls and cultural centers are the least beneficial to the Serbian people, but undoubtedly serve some clearly defined goals. On one hand, they exert pressure on the press, television, and other mass media, which, by reporting on this, create additional pressure on the public, thus completing the circle. On the other hand, from time to time they succeed in attracting to Kosovo some high republic party official—who, some hope, ought to "settle the situation" once and for all—no matter what happens. Thus in recent days a small group of the most militant women in Kosovo have moved from town to town, from one podium to another. Those who have kept track of the traveling demonstrators cynically say that some of the women are preoccupied with only two concerns: getting the morning's work done at their hairdresser's as soon as possible, and then, when their beautiful hairdos, make-up, and brushing are completed, racing off to Klna or whatever village is "on the agenda" and going straight to the microphone. Clearly, this assessment does not apply to all of the participants.

In the Kosovo province, meetings of this type have recently become a part of everyday folklore. Albanians avoid the place where slogans like "We will give our lives, but we won't give up Kosovo" and "Our mothers are not whores" are shouted, hiding from the flushed Serbian and Montenegrin demonstrators as they march along the road, while for the Serbs and Montenegrins themselves, especially the most "politically aware," these are ideal substitutes for the films and theatrical performances that do not exist or are very rare in their villages. After all, they can participate themselves in programs under the slogans "to arms" and "an eye for an eye, a tooth for a tooth." The oratorical and theatrical skills of some of the speakers would shame many professional starring actors, if by chance they happened to be there.

The drama of these assemblies is planned in such a way that no one will be bored for a single moment. A more moderate and more reasonable speaker is usually followed at the podium by two who are more vocal and more explosive—and they easily turn the relative decline in tension in the crowded hall into euphoria. This obviously works against well-intentioned activists, since any constructive proposal on their part will be swamped by the shouting of extremist slogans.

What amazes observers most is the routine that governs the apparently uncontrolled energy in the hall. A 13-year-old child sits next to the entrance to the Cultural Center and sells pumpkin and sunflower seeds, just like

at a sport event or in front of a movie theater. Business goes well, especially since not everyone is inside (many people have stood outside in the fresh air for four full hours, waiting for the outcome of events). The entry and the interior of the hall are connected by a narrow antechamber in which a television set is on—"Wednesday Sports" is being shown. Those in the crowd who ended up on this spot (there were a fair number of men) could keep one eye and ear on the Real-Port soccer match (rooting for our Milan Jankovic) and the other on their wives, about 40 of them, who were furiously taking each other's place behind the podium set in front of the stage (journalists with open notebooks on their knees sat on the stage itself, which was an unusual setup). Tears in the eyes of the women in the theater were elicited by militant slogans, while above, in the balcony, attention was attracted by a small group of loud men, who were completely intolerant of the more moderate speakers (they accompanied them with insults and raised clenched fists). Toward the end, after the women had exhausted themselves a little, and concentration in the theater had declined, two men stepped up to the microphone, and delivered the most unrestrained sermons in the course of the evening. One of them was rewarded for his perfectly rehearsed mimicry and trained vocal performances, spiced with lucid witticisms and jokes, by deafening applause, like the ovations usually received by the heroes of basketball games (at first slow and uniform, and then faster and faster clapping that finally turns into chanting).

I recorded most of this manipulation of emotions and frustrations (the most shocking thing was that behind all of this were the real problems of Serbs and Montenegrins in Kosovo) on a cassette recorder, so that after returning to my hotel I could transcribe onto paper the parts that seemed to me to be the most symptomatic of the current state of mind of those who prepare and attend such meetings. What I selected had to meet two basic criteria. First, it had to be the more radical speeches, and second, it should not be exceptions from the rule, some kind of sporadic comment that the audience would receive with silence or even oppose. What I mean is that the really extremist speeches were what set the tone of the whole meeting, that they were the most numerous, that they met with the most approval from those present, that few people tried to disassociate themselves from them, and that if anyone had, he would after all have been drowned out by the angry audience.

Before a brief analysis of the contents of the recorded speeches, I would just like to point out two facts, which I believe are very significant and illustrate the general atmosphere of the meeting. First of all, "differentiation" is a word that was repeated like a leitmotif throughout almost all the speeches, and which was always loudly acclaimed. The fact that unfortunately, what was usually meant by it was national differentiation (uniting the Serbian and Montenegrin peoples against the Albanian nationality), is shown by the fact that the loudest whistles were earned by the appeals, in any case rare, for togetherness (especially that of Serbs and Albanians).

Marija Stamenkovic, the president of the Conference for the Social Activity of Women of Serbia, attempting to calm down the heated passions, said at one point, "Let's see what we can do together. But together means both Albanian, and Serbian, and Gypsy, and Moslem, and Croatian women—all equally." But that proposal was interrupted several times by a general drawn-out "Nooooo..." The following idea of hers was also met with whistles: "Let us not create hatred among these children; the word hatred is somehow the most serious; there are better words" (there were also some confused, miserable children of elementary school age in the audience). The audience generally protested against "undesirable" speakers in two ways: by aggressive annoyance (if the woman in question was speaking against the already described opinion of the majority), or by a suppressed, nonchalant muttering (if she was not militant enough, e.g., if she was "boring" in the majority's opinion).

In accordance with some criteria of my own, I divided the contents of the speeches into eight categories, and I will present them in that systematic form, citing only a few examples:

1. Pathetic stories from secondary school children and their mothers, and expressions of bitterness about alleged mistreatment by Albanian students or adult citizens. Here are typical quotations from that group: "I am a young woman. This heart of mine, this heart, if someone were to open it, is overflowing with all of this. How long will there be rapes, murders, and hatred?" Then "A little while ago I said that I would go to the podium, I reached it, but how will I reach freedom? Is there any road here in Kosovo that leads to freedom at all?" Or, "Some of our friends have been raped by Albanians, it hasn't happened to us... The daily facts that we get from the press and in general show how many of our friends have been stabbed in elementary and secondary schools..."

I pulled out in particular from this group five specific cases of mistreatment. I will describe them as they were portrayed by the women and girls at the podium:

a) At the "Fraternity" elementary school in Obilice, a bomb was thrown "into the area where the Serbian classes were." Instruction was therefore interrupted "because they wanted to kill us!"

b) A young pupil at the Vuk Kardzic school in Prizren was raped.

c) An Albanian pupil at the secondary school center in Klina threw some sunflower seeds at a girl pupil. A quarrel took place. After he slapped her, she reported him to the teacher, who took them to the director. The director (an Albanian) suggested to the pupil that she say nothing of this either to her friends or to her parents. She did not obey him, and her father reported the case to the

police. The officer on duty said that the boy was a minor, and that he could "only be fined 30,000 old dinars, which means that whoever has 30,000 can hit whoever he wants."

d) A pupil in Klina, on the way from her house to school, was intercepted four times by a "man in a car with a foreign registration" who called out abusive words to her in Albanian (like "Skinjo, skinjo"—an insulting name for Serbs). When she reported him to the police, she was told, "We can't do anything because of the foreign registration." "This means," the pupil claimed, "that in our country anyone can do whatever he wants and we can't even find him."

e) A doctor spoke about the "abuse of medicine for separatist purposes" at clinics in Pristina, stating among other things that "Demonstrators of Albanian nationality are treated like invalid veterans. They have priority in any medical treatment, from getting a bath to importing wheelchairs duty-free."

2. Various demands and ultimatums addressed to the authorities about curbing the alleged inequality of Serbs and Montenegrins in Kosovo. For example:

—A demand for "general differentiation" ("We want differentiation, from the local communities to the opstinas and committees, all the way to the top. To the top!").

—A demand for full rights to mass gatherings ("They tell us to go into the hall. What kind of hall, and what do we need with a hall, we want to go outside. Please call out!").

—A demand for the equality of the Serbo-Croatian language ("Why does my medical prescription say 'djaf' and not 'child'? Why don't we write 'Bus travel' instead of 'Me autobus'?").

—Demands opposing the use of the flag of the Albanian nationality ("My little son asked me, 'What is that, mama?' When I visit my uncle in Montenegro, there is one flag. When I visit my aunt in Zagreb, there is only flag. But here we have both the eagle and the other one, which is our flag!") And so on.

3. Frontal attacks against Fadil Hoxha for his statement 7 months ago in Prizren at a banquet with reserve military officers. Here are some quotations that the audience welcomed particularly warmly: "I don't know at all whether he... if not a man, but something else... not a creature, but a genus, a class, some sort of living being..." Or, "Artukovic killed during the war, but he hunchers our children in peacetime" (mass shouts: "That's right!"). Or, "Fadil Hoxha calls us whores. But the whore is the one who said that about someone else! But his wife—what did his wife do? Under the fascist flag—'Viva Duce' or something—she carries a fine flag,

she threw away the veil and paints herself" (loud applause and cries from the audience: "When no one wanted her, Fadil took her!").

In the course of the evening, one activist recited a poem dedicated to F. Hoxha, which was written especially for this occasion: "Communists, don't give the Ballists the right to disrupt unity. Fadil Hoxha, you old traitor, your memory of the harem still deceives you, and do you think, false partisan, that Serbs will again defend you (tumultuous ovations in the audience—author's comment). you have eaten a lot of Serbian bread, but now you are disgracing national heroes; you have eaten and drunk with Serbs, and you did not feel indebted at all; what will you do, traitorous son, leader of your youth, you have given them the wrong road to follow to rape Serbian women; and we are not such cowards to accept the invitation of a traitor" (loud applause from the audience and cries of "Bravo!" "Let the people judge him, especially the women!").

4. Reminiscences of the NOB [National Liberation Struggle] which were to suggest the supposed continuity of the recent women's movement in Kosovo with the national liberation movement. For example, "I asked a schoolmate what today's date was. She said it was the 21st. And I remembered—21 October 1941 in Kragujevac. The pupils and the teachers with them." Or, "Yesterday Belgrade celebrated Liberation Day. After 63 many years of freedom, should we have to wait again here for some Liberation Day?"

5. Allusions to the history of the old Serbian state and Orthodoxy, to emphasize the historical right of the Serbian people to the territory of Kosovo. For example: "My village was under the Nemanjici. Dravik was mentioned back in the time of King Milutin..." Or, "As Priorez Parakeva said in Devic, 'God, do not give up this freedom that is possessed by the people of Kosovo, women and children.'"

6. Blunt criticisms of the Yugoslav political leadership. The names of specific figures are not cited, and sometimes it is not clear whether they are referring to the provincial, republic, or federal leadership. Here are some examples: "The people want unity, they want fraternity, the peasant class, the working class, and the honest intelligentsia want it, but the leaders do not. Why? Because that is their political orientation." Then, "These leaders of ours, about international... That Bosnian talks about apartheid, about genocide in Africa, but he also forgotten to talk about the apartheid and genocide against the Serbian and Montenegrin people in Kosovo (applause in the audience—author's comment) and the other peoples of non-Albanian nationality." Or, "I am that kind of Yugoslav. I go straight ahead and look people straight in the eye. Real communists talk that way. Anyone who is not that kind of communist does not belong in Yugoslavia" (general shouts: "That's right!").



7. Phrases indicating the unequal position of Serbia proper in the Yugoslav federation: "My son is chanting there and demanding that Kosovo be Serbia. And we will be! Until Serbia is like the rest of the republics, we will not have freedom. No, no, no! No longer (stormy applause—author's comment)!" Or, "Why has Serbia been fragmented? So that it will be destroyed! The destruction of Serbia is the destruction of Yugoslavia (shouts: "That's right!")" Or, "They milk Serbia like a cow, but even a cow has to be given something (ovations in the audience—author's comment)!"

That is what it was like in Kosovo Polje on 21 October. Two days later, at the provincial SUP [Secretariat for Internal Affairs], I visited the PSUP undersecretary, Jusuf Karakushi, to check the credibility and try to verify official the claims that I have condensed within the first category of the contents of the speeches by the women activists. As the women themselves emphasized the three most serious forms of the mistreatment of their children—murders, rapes, and stabbings—the discussion dealt with that subject first. I will present a summary supported by official facts that confirmed part of what was said, but refuted the rest.

1. Murders. From April 1981 (i.e., since the demonstrations by Albanian separatists and the eruption of the counterrevolution) to today two cases of murder have been observed in Kosovo in which the perpetrators were Albanians and the victims Serbs or Montenegrins (both cases occurred precisely in 1981). During the same period, however, there were three murders in which the perpetrators were Serbs or Montenegrins, and the victims Albanians.

2. Rapes. Not one rape has been reported this year in the Kosovo area involving an Albanian man and a Serbian or Montenegrin female. Only four attempted rapes have been reported, while in the last few months there have been eight cases of assault against females of Serbian or Montenegrin nationality—cases not subject to criminal law, but, as Karakushi states, "they are naturally examples of violent, offensive behavior and justifiably disgust citizens, and so they usually interpret them as attempted rapes."

From 1982 to date, 16 rapes have been reported in Kosovo in which the victims were Serbs or Montenegrins, and the attackers Albanians (5 in 1982, 3 in 1983, 3 in 1984, 2 in 1985, 3 in 1986, and none so far this year), as well as—in the same category—19 attempted rapes (4 cases in 1982, 2 in 1983, 4 in 1984, 3 in 1985, 2 in 1986, and 4 this year). During the same period, from 1982 to date, 136 rapes and 152 attempted rapes were reported in which the victims and attackers had the opposite ethnic relationship or were of the same nationality. "Most rapes," Karakushi says, "occur between individuals of the same nationality, i.e., mostly between Albanians, which is logical in Kosovo."

3. Stabbings. During this year there has been one attempted murder with a knife in Kosovo (in Pec) (in which the attacker was an Albanian and the victim a Serb or Montenegrin), not against a pupil, but rather a student. Also reported was one case of a minor injury, but that victim was not a pupil either. On 16 October, however, in Donja Brnica in the Pristina opština, during a mutual quarrel a child of Albanian nationality, a pupil in the 7th grade of elementary school, pulled out a knife and attacked a pupil in the 6th grade of the same school, inflicting a small cut in the middle of his chest. Criminal proceedings were instituted against the child's parents.

Karakushi mentions that in addition to rapes, attempted rapes, and other assaults against females of Serbian or Montenegrin nationality, citizens have been disgusted and alarmed by various other physical attacks, insults (especially on an ethnic basis), field damages, etc. "One must admit," he said, "that in the last few months, in comparison with the same period last year, criminal acts, misdemeanors, and in general unpleasant incidents committed against individuals of Serbian and Montenegrin nationality by Albanian perpetrators have increased to some extent. The SUP authorities are very effective in investigating every case, as well as in taking adequate measures within their jurisdiction, as shown by assessments at the level of the service and at the level of official political bodies. The fact, however, is that a large number of incidents are politicized and individual cases are generalized. There are also a considerable number of cases occurring between individuals of the same nationality which either are not reported, or if they are reported, do not elicit any kind of reaction from the citizens."

Finally, Jusuf Karakushi, referring to documentation, commented on all five examples cited in my notes.

a) The case of the bomb thrown at the elementary school. Karakushi: "This is pure disinformation, certainly circulated in order to create uncertainty among pupils and the public at large."

b) The case of the rape of an elementary school student. This is partially true, since there was actually no rape. It has to do with a girl of Serbian nationality in the 8th grade and a 7th-grade pupil of Albanian nationality, whose "action," undertaken in the school lavatory during a rest period, was assisted by two of his friends, who stood guard in front of the door of the lavatory. According to the provincial SUP report, "when the attacker opened the lavatory door again, the girl was in a standing position with her pants pulled down to her knees; then the attacker used his right hand to touch her on the buttocks, and then in leaving he struck her in the area of the stomach with the elbow of his left arm."

c) The case of the sunflower seeds. The incident is true. The director said what he did thinking that the incident did not merit much attention and that it should not be made into some kind of problem. Criminal proceedings

were instituted against the pupil. Karakushi: "The militia commander to whom the incident was reported is of Serbian nationality, and one should not be surprised by his statement that the pupil could only be fined 3,000 [as published] dinars. After all, it is well known that a SUP officer does not punish anyone; he merely institutes misdemeanor or criminal proceedings."

d) The case of the automobile with the foreign registration. It is true. Karakushi: "The SUP service undertook all available measures to find the vehicle and the person who was in it. Either the vehicle quickly left the country, or the offended girl did not remember the license number correctly."

e) The cases of the "misuse of medicine for separatist purposes." Karakushi: "Recently several cases have been reported to SUP as a consequence of mistakes by the staff at individual medical clinics in Pristina (2-3 cases). In spite of the measures undertaken, however, the service did not obtain evidence showing that these were deliberate mistakes—and thus, it was a question of negligence. The professional services and the appropriate authorities must assess the nature of the other mistakes and shortcomings found at the clinics in Pristina, in comparison with clinics at centers outside Kosovo."

Pristina, 23 October. About 20 guests of the Grand Hotel, mostly Albanians, gathered on the first bench in front of the television, watched with resigned silence a television report (in "Daily News") on the 12th meeting of the Provincial Committee of the Kosovo LC. No one commented on anything aloud, although it was apparent that they were confused and concerned. An atmosphere of extreme uncertainty was created in Pristina by the expulsion of several prominent high officials in Kosovo from membership in the LC, only two days after the decision of the highest party body in the country that Fadil Hoxha would be expelled from the LCY Central Committee and the Council of the Federation. Citizens of Albanian nationality were withdrawn and everyone refused to discuss this subject. It seems that what concerns the majority of Kosovars the most is not so much the party's actions against their best known leaders, as what could follow in the near future, according to their darkest predictions, especially since one participant in a discussion at the recent meeting of the Belgrade party's City Committee noted, with respect to Kosovo, that "the state's wholeness and integrity were also being defended by other means, and primarily by other means, since political means were not enough" (POLITIKA highlighted part of his speech).

If we were to try to summarize the anxieties of the average Pristina resident of Albanian nationality in 2-3 sentences, we would arrive at several rhetorical questions that for the time being are hovering menacingly without an answer. How, and with what emphases, can one logically connect the recent party proceedings against Dragisa Pavlovic, the party proceedings against

Fadil Hoxha and other Kosovo leaders, and in the third place, the militant women's movement in Kosovo Polje and its environs? Why was Fadil Hoxha's tasteless statement only being discussed now, and not when he said it—i.e., 7 whole months ago? Did Hoxha really say what is being attributed to him, and why are notes on an informal conversation in a tavern atmosphere being used as the final trump in settling accounts with a high political figure? Who needs this, and where is it leading? In the opinion of Pristina sociologist Gjergj Rrapi, the director of the Institute for Philosophy and Sociology, the scandal over Hoxha's statement is to say the least "unconvincing." The extent to which Hoxha, during his career, advocated the secession of Kosovo from Yugoslavia, and how much he really did along those lines, is another story.

It is believed in Pristina that the committee for the Serbian and Montenegrin national question in Kosovo Polje is only an extension of the aggressive Serbian nationalist faction present within part of the republic bureaucracy, which naturally counts on using this "popular movement" in an atmosphere of constant pressures to coerce a more radical change in the Constitution than the one proposed by the SFRY Presidency. It is assumed that the main goal of that faction is, if not the elimination, at least the substantial limitation of the autonomy of Kosovo, with the minimal program being approximately a return to the principles of the 1963 constitution. If incident after incident were created, i.e., the specific extraordinary situation in the province were to continue without respite, the provincial leadership, according to these predictions, would at some point have to give in to the pressures, or otherwise the current extraordinary situation would simply evolve into something different, which the member of the Belgrade City Committee obviously had in mind when he spoke about "primarily other means, and not political ones." The residents of Pristina are therefore wondering what is meant by the demonstrators' slogan "We will give our lives, but we will not give up Kosovo," which in the last few days has been quoted in the mass media as a progressive demand par excellence. They ask, "Who would they have to give up Kosovo to anyway, when everyone knows who lives there?"

All of this leads to the conclusion that on the everyday political scene in Kosovo, Serbian nationalism is currently more aggressive, more organized, and more prominent than Albanian nationalism, precisely because it has taken over part of the mass media (which does not mean that the balance of forces could not change again tomorrow). The situation is thus fundamentally different from the first half of the 1980's, and if anything is unchanged, it is the methods of action, because just as the Albanian irredentists in the spring of 1981 exploited students and pupils, who went out into the streets and waved "Kosovo republic" slogans, now the Serbian and Montenegrin demonstrators are also manipulating their children, putting them in the front ranks of their columns (among the women in Kosovo Polje, the term "children's company" is already in use).

Pristina residents of Albanian nationality are suppressing their dissatisfaction, asking themselves how they would be treated if they merely arrived at the idea of organizing their own meetings and demonstrations in response to what happened in Kosovo Polje. This will probably not happen in the foreseeable future, since the provincial authorities, who are now also being assisted by a special militia detachment from the Federal Secretariat for Internal Affairs, are in control of the situation. So far citizens of Serbian and Montenegrin nationality have been allowed to do whatever they want (with respect to political freedoms), just so that they would not have another argument to prove their "lack of freedom," but for a long time now the state apparatus has been very strict toward Albanians. The sociopolitical forces and security services nip in the bud any attempt by them to act publicly outside official institutions.

These days, a special rule of etiquette is being circulated around Pristina, half in jest and half seriously, which says: when a Serb gets on the bus, the Albanians should form a circle around him to make sure that no one steps on his foot during the trip, since who knows how that could be interpreted. Albanian irredentists, whose main center is in Switzerland, enjoy such anecdotes and wait patiently for their next five minutes and the time to answer counteroffensive with counteroffensive. Furthermore, one should not neglect the activity of the present but concealed irredentists, whose perfidious activity is still forcing many Serbs and Montenegrins to emigrate from Kosovo, and is also encouraging various forms of "closing ranks" and uniting. There are many symbiotic actions and reactions in a mutual encouragement of nationalism.

#### How Many Albanians Want a Kosovo Republic

"The idea of joining Kosovo to Albania," one Pristina intellectual told me, "is not absent in Kosovo, and we know who advocates it: it is the irredentists. The intelligentsia, however, advocates something else: normal contacts with Albania within the framework of the existing Yugoslavia, having books from Albania, being able to travel to Albania just as we travel to Belgrade, having friends there just as we have in Belgrade, etc. We have a logical need for an Albanian cultural area, a need which should not be politicized, as is usually done. An Albanian studies institute, for example, cannot exist in Kosovo without being connected with the results of such scholarship in Albania. During the period of the intensive flow of information and movement of personnel between Pristina and Tirane, before the 1981 demonstrations, Kosovo had a much greater influence on Albania than vice versa. Professors and scholars from Albania saw with their own eyes what our political freedoms and standard of living were like, and this naturally influenced the disillusionment of their dogmatic beliefs, and had an erosive effect upon the political system there. In that sense, our breaking off contacts with Albania was more beneficial to Albania than to Kosovo, i.e., to Yugoslavia."

Another question, however, is how many Albanians in Kosovo would like their province to achieve the formal status of republic, and how much the real repressions against the Serbian and Montenegrin population are leading in that direction. So far no one has conducted any precise research or survey on this, so only surmises are possible. Toward the end of the NOB, when it was decided which territorial units in the future socialist Yugoslavia should be republics and which should be provinces, there was no political force in the territory of Kosovo that could formulate and legitimize that question on the basis of a broad national position. There was no electoral base, and no adequate program or strategy, which are the preconditions for the democratic formulation of political demands. They were created in Kosovo considerably later, in the late 1960's and especially in the 1970's, but then irredentism also flourished, and its actions in many respects spoiled things for more moderate forces who advocated full equality for the Albanian nationality in Yugoslavia.

"That demand," according to Shkelzen Maliqi, one of Pristina's leading intellectuals, a philosopher and editor of the journal FJALA (his father was the minister of internal affairs in the province from the summer of 1981, two months after the separatist demonstrations, to 1984), "the demand that Kosovo should become a republic, aroused a great deal of political anger and even hysteria, and there were no rational considerations and reasoned opposition. Naturally, the advocates of this demand have not been particularly rational in justifying it either. Nevertheless, one must bear in mind the fundamental difference with respect to the possibility of articulating positions. The opponents of the idea of a Kosovo republic have at their disposal almost all of the news media, and they very stubbornly reject any public discussion of this. They think that they have to respond to any attempt to raise the issue of a republic publicly only by police methods, since this is allegedly an unacceptable and counterrevolutionary demand that will lead to the breakup of Yugoslavia. Most Yugoslav Albanians are not exactly disposed to speak out on this in public. They do not take a position either for or against it. Admittedly, progressively oriented Albanians have accepted by plebiscite the LCY Platform on Kosovo and all of the documents adopted since 1981, but the prevailing public impression is nevertheless that this plebiscite position conceals a certain amount of reservations, i.e., that the position taken was more of a ritualistic one, and in essence was feigned."

In response to a question about how he personally viewed that problem, i.e., whether he leaned toward the idea of a Kosovo republic, Maliqi answered in a way that characterizes the views of the young, progressively oriented Kosovo intelligentsia, which is equally critical of its "own" and the Serbian political bureaucracy for their mutual haggling, of which it by no means has a positive opinion.



"I think that today conditions are ripe for a different and more serious approach to this issue. The 'Kosovo republic' demand expresses the desire for state protection of the interests of the Albanian nationality in Yugoslavia. The advocates of that idea know that Albanians in Kosovo will secure the status of an equal partner in the Yugoslav federation only if they will create a state. A Kosovo republic is seen as a guarantee of the full autonomy and sovereignty of Albanians, and the main argument that they cite in favor of that solution is the number and density of the Albanians in Kosovo. The argument for the idea of a Kosovo republic to be respected by the Serbian republic would have to give no part of its territory, to which it has a sovereign right far greater than for ethnic reasons. The essence of the Kosovo dispute is thus an etatist one. One national etatism has been created, another, and they mutually challenge and contradict each other. Such a formulation of the Kosovo problem leads to a dispute that in principle cannot be resolved. Until an agreement can be reached on which of the two rights, historical or ethnic, is stronger and more deserving of statehood, it will not be possible to decide between the Serbian and Albanian statehood claims in Kosovo. Thus, the Serbian people and the Albanian nationality have been manipulated and exploited by the Serbian and Albanian nationalist leaderships as alienated centers of political power, false protectors of etatist national interests. The statehood view of the Kosovo problem leads only to a war of nerves, an intensification of interethnic hatred, and even to a real war and bloodshed. The calls to war that have been increasingly heard recently are not coincidental, because the calls to armed conflict are a predictable consequence of the etatist manipulations of national interests."

### Where the Solution Is

"Where do you see a way out of the existing situation, if you think that there is one?" was the last question addressed to Maliki. He answered as follows:

"In preserving the full autonomy of Albanians, on one hand, and ensuring full equality for the non-Albanian population in Kosovo, on the other hand. In the economic and social prosperity of everyone. In getting rid of the politocracy that manipulates national interests. But I am afraid that it is too late for rational solutions. The maniacs are armed to the teeth."

Maliki is thus a pessimist, since he feels that within the limits of the existing conflict, to put it simply, at the level of a nation and a national minority, of two "statehood" entities, a conflict that is escalating more and more bitterly, there is no adequate solution in sight. The question of Kosovo has obviously been viewed upside down in our political practice, but it seems that this has not yet been noticed by those who are most qualified to think and make decisions soberly and rationally. In its latest issue, NIN rightly noted that "policy does not have

to adapt its action to the attitude of every public opinion," and that "there is justifiable fear when some policy refers too much to the 'people' (it is as though history has not taught us anything."

BORBA is also right when it warns of the "quasidemocratic Kosovo differentiation" that has turned into a cheap fanning of phrasemongering tightrope-walking. After all, we have seen in the first part of this article how part of the people, or the "people" (understood as an abstract, irrational concept that is supposed to serve the everyday politics in question as a source of legitimacy) reasons. A far more serious question is how and why this happened. Certainly the Serbian people cannot be identified with the shouts of a group of disoriented agitators, no matter how large and organized it is, just as no other people is or can be any sort of amorphous collective being for whom a false monolithism of the political structure can serve as a happy path to the future. It is a dangerous game whose consequences may be unforeseeable. It would be a disastrous historical mistake if one injustice were to be answered by another, possibly even greater.

"The Albanian and Serbian peoples," many Pristina residents unaffected by national frustrations might say, "have no other solution but to establish normal relations; and in doing so, no one should have to pay any historical accounts."

While such accounts are unfortunately still serving many hotheads as a starting point for determining a strategy, with the greedy irrationalism of the energy accumulated in the Kosovo Polje cultural center serving as a green light, young Kosovars, those who care about the real prosperity of the province and all of Yugoslavia, would rather talk about something else. About freedoms, the values of civil society, and the dignity of the individual, for example. They complain about their "own" political bureaucracy, because according to them, it has traditionally been the most intolerant in the country, with an authoritarian mentality, so that Kosovo Albanians are really fortunate that they live in a Yugoslavia within which the provincial authorities have to moderate their "original" criteria. The cadre base in Kosovo is very narrow, and any more prominent figure has a change of making a political career, provided that he is obedient and accepts the imposed prevailing model of conduct. The cultural sphere has not been emancipated from politics, as in our other republics and provinces, and so it is impossible to progress in scholarly work unless one belongs to the milieu of the powerful. The critical intelligentsia, on the other hand, is in its infancy, but even so it is constantly under control.

An alternative cultural scene, so to speak, does not exist. Rock is still fighting for limited civil rights, since it is still believed in Kosovo today that it is a degenerate quasiart that spoils young people and—a Kosovo specialty—"does not suit our ethnopsychology." The provincial stage is therefore dominated by the semi-nationalist

contemporary folk groups headed by the singers Shkurte Fejza, Nazmie Hoxha, and others, who, by synthesizing Albanian folklore and inflammatory epic contents, bring their followers at concerts to ecstasy, helping them in a relatively acceptable manner to free themselves of all their present repressed feelings. This so-called trend of "ciftelization," named after the two-stringed instrument whose "ethopsychological" vibrations influence their users more effectively than the voluptuous curves of the singers, have nevertheless not received the right of citizenship on television, which the rockers are so far skillfully exploiting by filling their hole in the program.

Kosovo youth, which is somewhere in the gap between achieving newer and newer amounts of freedom and better, more endurable living conditions, and adhering to the imposed model of political conduct that says "an eye for an eye and a tooth for a tooth," is losing faith in better days, and surrendering to indifference or dark forebodings. Really—is a civil war a possible consequence of the Kosovo syndrome? Those who are most familiar with the situation in the province doubt the possibility of such an outcome, at least in the foreseeable future. They comment that in order for there to be a civil war, there must be two parties, two armies, for example a separatist and a unionist one (provided that there are no organized institutions and instruments of authority in Yugoslavia as a whole, which is obviously stupid), and that is not the case in Kosovo. All indications are that the Albanian irredentists are by no means capable of dictating conditions to Yugoslavia. And as for the possibility of a more radical solution to the Kosovo question, intervention by the Yugoslav state itself is more realistic; that intervention, however, if it turned out to discriminate against the Albanian nationality, could in later stages lead to serious resistance from the threatened side, which could then turn into a civil war. Furthermore, one should not neglect the international component of the assumed developments, in which some foreign power could interfere, for example, through Albania, because Kosovo, together with Albania, is an extremely important strategic point.

During the past assemblies and meetings in Kosovo Polje and neighboring towns, one could hear from the leaders of the so-called "popular movement" that the mass departure of Serbs and Montenegrins from the province was an accomplished fact. After leaving the Cultural Center and going out into the cool, autumn nighttime atmosphere of Kosovo Polje, however, something suddenly changed in the temperament of the previously hotheaded and tireless activists. In the cold fog along the road to Pristina, each of them, shivering a little because of the sudden change in temperature, sought to get home as soon as possible. Perhaps the coming winter, which is expected to be severe, will force each of them and their husbands to think things over.

### Letter to Serbian LCCC Denouncing Pavlovic Dismissal Reviewed

2800038 Zagreb DANAS in Serbo-Croatian  
17 Nov 87 pp 19-20

[Article by DANAS editorial board: "Linguistic Pitfalls of Stalinism"]

[Text] A few days ago the eighth plenum of the Serbian LC Central Committee [LCCC], at which Dragisa Pavlovic was replaced, was supplemented by another subsequent discussion. The one who spoke up was the respected Yugoslav architect Bogdan Bogdanovic, a member of the Serbian LCCC and until recently the mayor of Belgrade. He sent his comments, drafted on 60 typed pages, under the title of "Linguistic Pitfalls of Stalinism—Letter to the Central Committee of the Serbian LC" to the Presidium of the Serbian LCCC as his contribution to a discussion which circumstances did not permit him to attend (at the time, he was in Sofia, at the formal inauguration of the recently established International Academy of Architecture—IAA—of which he is one of the first 40 regular members). Bogdanovic asked the Presidium to have the letter reproduced and forwarded to all members of the forum to which he belongs.

Why did Bogdanovic decide to write his undelivered remarks, and what does he say in them?

### Political Paralinguistics

"I believe that such a meeting has never before been observed in the history of the communist movement. The passion with which, in Aesopian language, the crooked Drina was made straight and the straight was made crooked (an expression that apparently should be heard more often)—there really was too much of such passion. It could be compared, I think, only to the passion of Stalin's linguistic diatribes, in which, toward the end of his life, he issued instructions not only on what should be said (which was in any case clear), but also on how it should be said." Pavlovic, in the opinion of Bogdan Bogdanovic, distanced himself from that linguistic monolithism, which is one of the reasons for his political excommunication. "Yes, dear comrades, it is just as I said: a young man, a political writer at the very beginning of his extraordinary career as a political essayist, was immediately condemned irrevocably for an offense of language... an offense of undesirable, dishonest, and unorthodox language, and if I may be completely frank, you condemned him by a majority of votes! Such a condemnation is an obvious precedent in our political culture, and that is precisely why, as a precedent, it arouses very great concern in me."

Bogdanovic's concern is not due solely to the attempts at forcible linguistic unification. He is primarily concerned over the broader context and subtext. And that is the "increasingly clearer breakdown in communications between us (us in Serbia) and the leftist intelligentsia in Europe, and especially in Yugoslavia.... As far as Europe

is concerned, we are situated in a modern world of innumerable codes and ambiguities. But on a small scale as well, we are living in a country of ambiguities and cultural polysemy. Are we really unable to see how much harm has been done to us in the past, starting as early as 1918 (perhaps even earlier), and further on, all the way up to yesterday and all the way up to the present moment, by our (Serbian, Serbs from Serbia proper, Serbian-Montenegrin, Orthodox-Georgian) obsession with a single uniform code and the even more obsessive pernicious uchronia (or utopia) of one sound, a 'monolithic sound'?"

Analyzing in particular certain speeches at the plenum, Bogdanovic recalls that "one of the irrefutable wisdoms of Stalin's political paralinguistics is that not exactly simple truth to which I have already called your attention, comrades, namely, that terror is indicated primarily in the environment of words." This environment is not just the words uttered at the plenum, however, but also the words that reached the plenum through the "PTT [postal, telephone, and telegraph] galaxy," i.e., telegrams.

"As you know, telegrams arrived at the plenum. I looked over 50 copies: I will not even attempt to establish any systematic glossary, although I assert that this would be a task for at least one of the ideological commissions of the Serbian LCCC, since otherwise, my comrades, how will we know where the essence of uncertainty lies? I will only attempt to conjure up for you the stylistic framework (to evoke it for you, since I assume that you have all read the telegrams). For example, 'The speeches by Pavlovic, Stambolic, Vasa Milincevic, and Ikonc, to put it mildly, can be equated with the counterrevolution in Kosovo.... They have actually driven the Serbian people to weeping and helpless mourning....' Or, 'So far only suspicions have existed.... about who was responsible for the destructive policy....' and so that there will finally be no more doubt of any kind, it enumerates such and such a person, such and such a person, such and such a person, and 'those who think the same way they do.' Or—just remember! and such a person (I will leave out the name of the petitioner) 'asks Slobodan Milosevic to leave the matter to the rank and file,' because, it is stated, 'when Borislav Srebric spoke, people spat at the radio....' Then, the petitioner 'once again asks Comrade Milosevic... to hold out against the trash of this country....' The stylistic framework in all three cases is the primary 'threshold of meaning.' It denotes things; but it also detonates them."

"I am afraid of the idea that this ominous PTT-oldspeak wave is perhaps not even a renewed, expanded, and popularized version of ordinary party vocabulary in the past, but rather a very definite throwback to the New-speak of that time, when it was still quite virulent, while it was truly serving its primary, Orwellian function, and was, of course, entirely in the service of Big Brother."

Bogdanovic then recalls the time when he and Bata Uvalic, in the building of today's Madera restaurant (then the party's City Committee), edited, corrected, and changed the meaning of the telegrams which groups of students from Belgrade had sent to Josif Visarionovich Stalin, and which were forwarded to them from the post office before they were sent. "These were usually telegrams of support, full of revolutionary bravery, while the lexical apparatus was frighteningly (frighteningly from today's perspective) similar or even completely identical to today's expressions.... Just as there are today, then there were 'progressive' and 'advanced' forces; the expression 'healthy forces' was not yet in circulation...." "There were," Bogdanovic continues, "also 'brave communist fighters,' and 'false communists,' and mentions of 'factionalists' and 'phrasemongers' and 'unmasking,' and a great deal more of what was resurrected (only linguistically?) 40 years later." "Tito's name was not mentioned, just as (for reasons clear to me) it was not mentioned in any of these 50 telegrams whose copies I have before me.... The PTT-galaxy is both a quite new phenomenon and a very old one—it depends on how things are seen and from what side, and the above-mentioned telegrams to Josif Visarionovich Stalin show how much one must be careful about telegrams, since beginning with the Ems dispatch [which was altered by Bismarck before publication and thus contributed to the Franco-Prussian War of 1870-71] no one has ever really known who has sent them and whether someone has enhanced them a little along the way."

"Consequently, on the basis of this linguistic eruption in the telegrams (but also in the plenum, admittedly), I conclude that the crisis is much more profound than any of us has thought, and I conclude that it is a crisis of political awareness, and perhaps of our (Serbian, or Serbian proper) crisis of awareness in general."

### Serbia is Tired

Horrified by the facile restoration of some "of Stalin's and Stalinistic matrices of speech," analyzing only the most prominent expressions used by many speakers at the plenum, Bogdan Bogdanovic, in the second part of his letter to the Serbian LCCC, offers a sort of Stalinist Glossary, the first Stalinist Dictionary. "All of these 'key words' (which have so far unlocked or decided many peoples' fates) either have a direct Stalinist provenance, or are Stalinist in spirit. All of them, through prolonged diachronic usage, have accumulated in themselves an excessive energy of obsession, fear, linguistic terrorism, or at least unbearable linguistic (and logical) lies and stylistic hypocrisy...."

Then Bogdanovic next attempts to explain the political context of about 30 of the most used expressions: allegory, allusion, relativization, composition, conduct, message, character, person, anti-party, nationalistic, confrontation, unity, battle, etc.



In the final part of his letter, Bogdanovic refers to the plenum's discussions of leaders and leadership in Serbia, and he concludes:

"If Serbia is tired, my dear comrades, you know it well, just as I do, and just as we all know it. Serbia is truly tired, but not just of its leaders (if it ever did have true and wise teachers and leaders), but it is also tired of semi-leaders, and mediocre leaders, which it has always had in enviable (and satisfying) numbers—and it has never lacked them yet. Our Mother Serbia is tired of the leaders that it does not have, and of their story-telling and haggling criticisms, into which, against its will, it has sunk over its head. It is also tired, not surprisingly, of its own tired sense, of its 'national common sense' which no longer understands anything... Our Mother Serbia is also tired of its semipoliticized intelligentsia and of its severely overpoliticized semi-intelligentsia.

"To put it briefly, it is tired of its own political 'positions' and of its native 'oppositions.' And Serbia is definitely tired of the haters of knowledge and resigned to the exoduses of the talented people who leave Serbia and Yugoslavia every year, in greater numbers than the Serbs and Montenegrins leaving Kosovo, cursed by unemployment, but also by the unconcealed hatred of worthless and incompetent people.

"Serbia is tired of the enactment of national dramas and of their being reduced to the nickels and dimes of everyday politics. It is tired of its own history, which it does not understand and which amazes it. It is tired of the difficult, tragic, and possibly even senseless wars that it has waged, and it is even more tired of the foolish apotheosis of those wars and of the trumpets and drums which, even at the end of the 20th century, still resound in its spirit and hearing.

"Serbia is tired of its fear of abstractions, and above all, it is tired of its simplified reasoning, of its concretism... the most non-concrete in the world. It is tired of factories that do not operate and will not begin operation; it is tired of neglected and corrupted cities, of a polluted natural environment and poisoned rivers... Serbia in the East, Serbia on the margins of civilization, is tired of a civilization that has never really touched it.

"Serbia is tired of itself, of its provincialism, of its provincial self-destruction.... No, this is not deconstruction, but rather an irrevocable self-destruction, a self-destruction by means of a panic of others, a self-destruction by means of an irrevocable dissension with others.... It is a self-destruction through heterophobia and mysonism; it is an autodestruction by shutting ourselves up within the vicious circles of our own fictions, which are more and more surely promising us the more and more certain fate of the late Balkan Indians in Europe.... Serbia is tired of the unnecessary force of the savage words that are setting it against itself and the world in which it lives. Serbia is tired of its quarrel with a Europe that it neither knows nor understands, of its quarrel with a Central

Europe that it scorns and despises, and it is tired of its inexplicable and comic Austrophobia... 99 years after everything... It is tired of its eastern option, of its populism, of its Slavophilism, of its mini-messianic all-liberating obsession; it is tired of its all-national and all-progressive Prometheuses, of its eternal orthodoxy, of its political orthodoxy and orthodoxy of every other kind....

"Serbia is as tired as it can possibly be, and it is therefore vulnerable to delusion; it is vulnerable to enchantments and to self-enchantments. When the magical skills of carefully selected and linked words to which it has been accustomed for so long fail it, it struggles helplessly in the toils of symbols and symbolism, it entangles itself and does not disentangle itself, and when its self-enclosed Georgian vocabulary is not sufficient to express its lack of understanding of the world in which it lives, it constructs its own handy symbolic vocabularies, and unnecessarily dividing its soul, it tears itself apart between semiophilia and semiophobia. And in the end it is deceived, made a fool of, and humiliated by the tricks of its undereducated iconodules and confused iconoclasts."

Finally, Bogdanovic comments on the more and more frequent official denials of the existence of a so-called blacklist in Serbia of undesirable politicians and journalists, which allegedly contains 170 names, and says, "Well, comrades, you have convinced me—there are no such lists, and there are no eccentric or undesirable people among us. Good, but then, in any case, please put me on those lists of yours. Put me on, because I would rather have my name read one day on those hypothetical lists of yours of suspicious people, than on some other and different lists (of history)... the lists of completely unsuspecting people."

Although so far there have been no official reactions, there is no doubt that the letter sent to the Serbian LCCC by its member Bogdan Bogdanovic will be the subject of new discussions and even conflicts. Bogdanovic obviously expects them, because in a postscript he writes the following:

"In order to make your work easier, and since this whole letter was written in defense of the freedom of language (symbolically, in this very year of Vuk's anniversary), I wrote it in my own unhindered free language, which I have written and spoken for 40 years in a row now. You decide whether it, like Pavlovic's language, deserves any harsh or possibly even terrible sanctions."

(Selected and prepared by the editors)

[Box, p 19]

#### Is This Tito's Yugoslavia?

Someone put it well: "Comrades, do not put out a fire with gasoline!" But nevertheless, two or three days after that statement about the burning of Guberevac (the

Belgrade hospital for the mentally ill—author's comment) we all saw one evening on the TV daily news how gasoline was being poured not only on ideas but also on people.... Comrades, did you see that news program, and aren't you ashamed?—I am ashamed! What energy of hatred, what explosion of anger, what blows of twisted arguments were aimed at a man whose culture, knowledge, and honesty no one, even among those present, has ever doubted—but the blows were apparently so passionate for that very reason. Is it true that just before this, Ivan Stojanovic was in the hospital for seven days because of heart problems? If that is so, then the event could be interpreted as an attempt at murder in front of the cameras. But it was a question of a commonplace change in directors. In the new Yugoslavia, even war criminals have been tried while respecting their fundamental human rights. Nevertheless, what insults this man had to listen to, and what bursts of words infused with hatred!... I think that this television news program should be repeated for all Yugoslav centers, and submitted for a referendum with the single question, "Is this Tito's Yugoslavia?"

[Box, p 20]

#### Who We Are and What We Are

On several occasions after his fall (you will recall whose) I had the opportunity to press his hand on the street or in a cafe, in the name of human dignity, his and my own. I

would have done the same thing for Zozef Fuse, the commander from Otranto, who truly had somewhat more sense than our ill-fated internal affairs commander.... But the question now is—who are we, and what are we? I have in mind above all last century's gatherings of mourners at the grave of Cvetko Prebijac, i.e., Cvetko Rajojvic, and Milos's Fuse. I know about the event from the stories of my mother, while Slobodan Jovanovic, probably because he was a devoted follower of Obrenovic, did not record that scandal. But now the question again is—who are we, and what are we, and what kind of people are we that admire ministers of police? And so recently, in the wake of crazy events, our comrades were also at the grave of our commander from Otranto, Aleksandar Rankovic, and this did not amaze or frighten anyone.

It is difficult to avoid recalling the midnight liturgies over the fresh grave of a tragic young man who had the honor (and duty) of occupying the honorable post of minister of police in postrevolutionary Serbia.... Have we ever danced a ceremonial funeral dance (an old Balkan ritual of identification with the deceased) over the grave of any of our ministers of education, or is the practice of new rituals still ahead of us?

## CZECHOSLOVAKIA

### CSSR: Changes in Foreign Currency Deposits Announced

AU262617 Prague RUDE PRAVO in Czech  
22 Jan 88 p 2

[Interview with Frantisek Pavelka, CSSR deputy minister of finance, by RUDE PRAVO staff journalist Svatopluk Smutny: "Three Questions—Three Answers: Accounts in Foreign Currencies"—date and place not given]

[Text] Foreign currency accounts for our citizens were introduced in 1970. Now, there is a change regarding their opening. We asked Docent Engineer Frantisek Pavelka, candidate of sciences, CSSR deputy minister of finance, to explain the purpose of this change.

[Smutny] To begin with, what are the aforementioned accounts?

[Pavelka] Foreign currencies accounts for the citizens were introduced in 1970. These accounts in freely convertible currencies are meant for citizens, not institutions. There have been certain restrictions on the opening and use of these accounts until now. With the freer tourism and the contact among nations in general, the opportunity of having one of these accounts will be substantially expanded as of 1 April 1988.

[Smutny] How does such account come into being?

[Pavelka] All remittances in freely convertible currencies obtained by a Czechoslovak citizen from abroad—for example, inheritances, gifts, fees and royalties, or pensions—can be deposited into accounts in freely convertible currencies. Moreover, compared with the past, a Czechoslovak citizen can deposit into these account freely convertible currency which he saved, in the course of his official travel or shorter trips abroad, from his income (wages, per-diems, and such). No permission is necessary to open such account, only a document attesting to the legal acquisition of foreign currency. As long as a citizen cannot prove that it was acquired legally, bank will not open such account; it will only pay the value of foreign currency in Kcs or issue Tuzex vouchers for it. Sums remaining in foreign currency accounts will bear interest in the currency in which the account has been opened—2, 3, or 4 percent, according to the term of the deposit's notice (same as for savings books). A Czechoslovak citizen can have more than one account, in various currencies, or can have different currencies paid into a single account.

[Smutny] How can the accounts be used?

[Pavelka] There is a number of possibilities—to exchange it for Tuzex vouchers, for shopping abroad through the Tuzex foreign trade organization, in some cases also for direct shopping abroad (for example, for

medicines, magazines, and such). He also can use his foreign currency account to pay for trips abroad organized by tourist bureaus or for a stay at a spa abroad. He can also use the account to pay for individual trips abroad, including his family members, the conditions being similar to those when travelling on foreign currency allocation. From the bank's viewpoint the number of journeys is not limited, the only important thing is the sum in foreign currency in the account. However, here I would like to say that the modalities of foreign travel on the basis of the receipt of gifts in freely convertible currencies for the purpose of travel under the decree of the Federal Ministry of Finance of 11 November 1987 are not affected by this measure.

### CSSR Hopes To Call Economic Forum in Prague

LD291422 Prague CTK in English  
1359 GMT 29 Jan 88

[Text] Prague Jan 29 (CTK)—Czechoslovakia ranks among the most active members of the U.N. Economic Commission for Europe, its executive secretary Gerald Hinteregger said here today at a press conference at the end of his visit to Czechoslovakia.

He said his three-day visit had met his expectations. He had fruitful talks with several members of the Czechoslovak Government, including Deputy Premier Jaromir Obzina and Foreign Minister Bohuslav Chroupek, and heard about the main intentions in the economy and the principles of the economic reform in this country.

In the present period of improved international atmosphere, the United Nations member states can be expected to attach even greater significance to the U.N. Economic Commission and the U.N. as a whole in the development of east-west cooperation. Gerald Hinteregger said as he spoke in favor of new forms of cooperation between western and eastern firms, including joint development and production and joint ventures.

Speaking about Czechoslovakia's proposal to organize an economic forum in Prague, he recalled that a similar proposal came from West Germany. It is necessary to wait for the stand to be given in the final document of the Vienna follow-up meeting of the Conference on Security and Cooperation in Europe. In any case the U.N. Economic Commission for Europe is ready to play an active role in the preparations and course of the forum and the implementation of its conclusions.

### CSSR: Joint Venture With Brazil Planned

AU281753 Prague MLADA FRONTA in Czech  
26 Jan 88 p 1

["fa"-signed report: "Will Coke's Throne Be Shaken?"]

[Text] From the viewpoint of the ordinary consumer, Amazonia—a soft drink made of guarana, a tropical fruit whose stimulating effect was discovered by Indians of the Amazonas region—is likely to become the greatest



attraction of the 2-day exhibition of Brazilian goods that opened in Prague yesterday. The exhibition was prepared by the Brazilian-Czechoslovak Chamber of Commerce and Industry last fall. Amazonia will serve as an example of the new relations. It will be produced in cooperation with Czechoslovak producers of nonalcoholic beverages, within the framework of a joint venture, not only for our consumers, but also for export to neighboring countries. When? Perhaps no later than April. Amazonia was launched in Europe only last year and it is said that it could become a threat to Coke's hegemony.

**Lower Customs on Electronic Imports Announced**  
*AU291642 Prague RUDE PRAVO in Czech*  
27 Jan 88 p 2

[Editorial Report] RUDE PRAVO of 27 January carries a 600-word "lh"-signed report entitled "Small Computers Exempt From Duty." The report reviews changes in the tariffs on some imported electronic goods in Czechoslovakia that go into effect on 29 January. The changes in the import duty are also the subject of a 700-word interview with Stefan Dobrotka, head of the legal department of the CSSR Central Customs Administration, published by Prague PRACE in Czech on 28 January, on page 2, in its "On a Current Topic" column.

The RUDE PRAVO report notes that because the domestic market is yet unable to meet the growing demand for computers and other electronic devices, because it is in society's interest to increase the number of users of computer technology, and because citizens have complained about the high import duties on these goods, the Federal Ministry of Foreign Trade has prepared changes in the tariffs on some goods imported by Czechoslovak citizens for their private use.

According to the RUDE PRAVO report, personal computers and microcomputers with operational storage capacity of up to 512 kilobytes (kb), including components and peripherals, will be completely exempt from duty. Import duties on large computers, that is, those with over 512 kb, are being substantially reduced. The basis from which the tariffs will be calculated changes from Kcs 150 per unit of operational storage capacity, that is, per 1 kb, to Kcs 30. A large 1,000 kb computer that used to be valued at Kcs 150,000 will therefore be valued at only Kcs 30,000. The import duty will amount to 10 percent of the total amount calculated in this way.

Reduced tariffs will also be applied to color television sets bought abroad. The basis from which the tariffs will be calculated changes from Kcs 300 per centimeter of the diagonal to Kcs 150, and the duty will make up 20 percent of the value (against 30 percent before).

The RUDE PRAVO report notes that the exemptions and reductions will apply to the import of one computer and one color television set per person for the duration of the new regulation, which, "for the time being," has

been declared valid until 31 December 1989. The goods must be used by the person who imported them or by his family and "must not be passed on, sold, or presented to another person for a period of 3 years, without the consent of the customs authority."

According to the RUDE PRAVO report, changed tariffs will also apply to other consumer goods, such as color television monitors, "various sound recording and playing devices," toys, sport utensils, and equipment for operators of amateur radio stations. Video recorders will now be valued at Kcs 15,000 (compared with Kcs 20,000 before) and video players at Kcs 9,000 per unit. The import duty will be 30 percent of that sum.

The customs official Stefan Dobrotka says in the PRACE interview that details on the new tariffs are spelled out in two decrees of the Federal Ministry of Foreign Trade (one on the "exemption of personal computers, microcomputers, and color television sets from import duty" and the other on "custom tariffs for non-tradeable goods"), both of which go into effect on 29 January. He also mentions that the changes in import duties affect alcoholic beverages, tobacco, and tobacco products, the tariffs on which are being raised 10 percent.

**Can Enterprises Make It Under Khozraschet,**  
**Asks Newsmen**

*24000032a Prague HOSPODARSKE NOVINY in Czech*  
11 Dec 87 pp 8, 9

[Roundtable discussion, prepared for publication by Miroslav Kana: "Can Enterprises Support Themselves?"]

[Text] The requirement that enterprises must finance their activities mainly from their own resources is more than logical. When an organization manages its operations well and performs well, it should be able to fully satisfy all current needs, and to finance future development. Provided that depreciation charges will not be redistributed, these charges can become a source of resources for self-financing. This area is often perceived as an obstacle. There are many firms who have invested significant resources in recent years. There are other firms that are operating with fully depreciated, or almost fully depreciated assets, which lowers depreciation write-offs. It is also true that these organizations have lower production costs, which can improve performance figures. The question however, is whether the impact on a firm is greater in this instance, or greater for a firm with higher depreciation writeoffs, which are much less dependent on plan fulfillment than on profitability levels. This is not the only point of contention. There is also the problem of organizations that operate either ineffectively or at low effectiveness levels, yet are responsible for manufacturing subassemblies for a final product that is produced efficiently. There is the question of wholesale price formation and wholesale price levels, and the issue of the link between profits and wages. Nor should

one underestimate the role of ministries and other central agencies, because enterprises must come to terms with them. This is why everyone tries to learn how the center views specific matters, whenever possible through meetings. This is also why I was glad to accept the invitation of one of our authors to attend a seminar on self-financing. This article is based on that seminar.

In October, the editorial board of the periodical *FINANCE A UVER* organized a seminar on self-financing. The seminar was attended by 40 experts, most of them from manufacturing. Prior to the seminar, the participants read position papers produced by the Federal Ministry of Finance (FMF), the finance and credit faculty at the Prague Economic College, the Czechoslovak State Bank (SBCS), and the High Voltage Electrical Engineering Plants VHI. We cannot reprint them, since they would take up about ten printed pages. They served as background for the discussion, so everyone would have a common point of reference. The discussion lasted 4.5 hours. This left me no option but to separate strictly everything not related to self-financing from that related to it, and then compile the latter information. It is important to note that most of the comments were of a practical nature.

#### Where Do Depreciation Writeoffs Belong?

[Question] The discussion began with the question of whether all firms are capable of self-financing, without redistributing resources within VHI. There is a clear attempt to even up conditions at the beginning and to avoid redistribution, since experiences to date with redistribution have not been very promising.

[Answer] [Eng Oldrich Nepras, economic director of High Voltage Electrical Engineering Plants (ZSE, VHI). In the area of self-financing all the directors in our organizations consider investment policy to be decisive. We analyzed all investments in recent years and came to a very sad conclusion, namely, that with one exception they had all been ineffective. Unfortunately we can have no assurance that we can control investment plans to the point that the projects we undertake will produce precisely what we need. It is true that decisions about many of these investments were made outside of the VHI but, as an economist, I am not satisfied with this. Ineffective investments lead to less than optimal outputs, which in turn produce negative consequences for a number of subsequent years. The same is true of more than 90 percent of the depreciation charges. Under such conditions, most of our organizations are not capable of self-financing, so we are planning to begin redistribution as soon as possible.

[Answer] [Eng Josef Salom, staff economist, Skoda concern enterprise] Any time you start redistribution you are setting up an uneven future development pattern. This can lead to a situation where you lose touch with just how the production base is evolving in specific organizations. Later, you are forced into all kinds of

repricing projects which completely destroy comparability. My opinion is that if we want to retain an objective evaluation of the current production base, we should allow depreciation charges to remain with the organization. Once we start redistributing depreciation charges, we are just one step away from redistributing taxes, or a standard share of profits. This would put us in the same financial chaos that we currently face when financing capital construction. No one really knows what is going on in this area now. The role of depreciation and credit in capital construction is determined at the draft plan stage for the current year. Redistribution processes would only deepen this chaos.

[Answer] [Eng Frantisek Krejca, general director, SBCS] My guess is that we were all impressed, comrade Nepras, by the self-criticism in your statement about the low efficiency of your capital replacement programs. We are under no illusion that the situation is any better anywhere else, since we monitor these things. In this way our country loses tens of billions every year. The conclusion is that anyone planning an investment project must make projections. Today redistribution takes place within VHI, but my fear is that if every firm is to be made into a state enterprise, then redistribution will spread, to support capital investment if nothing else. We must not forget to evaluate self-financing in terms of the relationship between the credit system and entrepreneurship. Where self-financing is not in place, an organization will not be able to count on loans from the bank, because loans under such conditions would not meet our return criteria. There will be such firms, and they will have to count on other resources within another financial plan.

[Answer] [Salom] In my opinion it would be proper for depreciation charges to remain with the state enterprise, even though I understand that there are different groupings of capital assets, and that probably depreciation for some groups would not remain with the firm. Clearly, at the present time we will not get rid of the role of the state budget in financing capital investment, because there are several sectors for which no self-financing conditions could be developed to assure that the production base would reach an acceptable technical level. This is the reason that currently we are unable to cast and forge a number of semifinished metallurgical goods. None of our existing economic entities has the resources to put together a state of the art facility for engineering metallurgy. So the state budget must help.

In my view the bank will have to modify some of its policies for 1988. As they stand, they will penalize our firm very heavily. Our working capital credit line will be reduced by 0.5 percent because we are an organization that experienced high inventory growth levels between 1985 and 1987. This will cause our accounts payable to increase next year by about Kcs 800 million. But this policy does not take into account that this inventory growth was caused by work for the nuclear power plant program, and that there is a government resolution

covering the financing of the preproduction related to this program. This means that the bank covered increases in inventory levels associated with preproduction through this year. There are objective reasons for this procedure.

#### Should Decisionmakers Be Accountable?

[Question] Many investments at the enterprise level have been implemented not through the efforts of the firm involved, but with significant "assistance" from supervisory firms and ministries. As is always the case when results are positive, requests for "pats on the back" come even from those who had no idea that such a project was under way. When results are poor you won't find anyone to take responsibility.

[Answer] [Prof Eng Vladimir Kyzlink, doctor of science, finance and credit department, Prague Economic College] One must determine the extent to which these shortcomings are the results of central decisionmaking and the extent to which the enterprise sphere is responsible. We often attribute to central decisionmaking shortcomings that have resulted from the management system and actions of enterprises. Consider for instance what comrade Nepras stated. All but one of his firm's investments has been ineffective, but no one has put up a fuss, because it didn't matter to anyone.

[Answer] [Salom] Return targets are sure to be met for investments planned by firms themselves to deal with undercapacity, to replace labor, or to improve internal enterprise relationships. In cases where the firm itself proposes an investment project it will do so because it needs to replace a metalworking machine. In these instances, it will always be sure to hit its rate of return targets, and do its best to make sure that the investment is as effective as possible. Investments mandated by the center have the worst effectiveness record. Managerial efficiency is a secondary concern for these types of projects. Our reactor hall was supposed to produce 3-4 complete reactor units annually. Today we are pleased when we succeed in producing one and a half complete units a year. When we were building the hall, the objective was to reduce budgeted costs to a minimum. To do this we equipped it with single purpose machines. Now we cannot use the machinery for anything else. This is why I think that there is relatively little danger that an enterprise will obtain a lower rate of return than the center on investment projects.

[Answer] [Kyzlink] I was a thesis adviser for a correspondence student. His enterprise had set him the task of calculating the effectiveness of two options: remodeling an existing facility, and building an entirely new facility. The student determined that remodeling the existing plant would be more cost effective, but the firm built an entirely new facility. This was the decision of the enterprise. Enterprises exert a strong influence on the decisions of the center regarding investment projects proposed by the center. We do not need to belabor this

point. What we need to do is pose the question of whether this huge reactor hall that we now show to tour groups, and it is a state of the art facility, was really necessary. The second question is how much the investor influenced the decision on the size of the hall. When the state was footing the bill everyone got what they wanted, and no one cared about the cost. An investor has the obligation to strive for maximum efficiency from the beginning. In other cases, for projects such as the reactor hall, the center should bear joint responsibility because the enterprise itself cannot determine whether the four units produced each year will be salable or not.

#### What Will Price Modifications Accomplish?

[Question] We have been hearing for some time now that a common denominator of changes in the economy is the restructuring of wholesale prices. There is a great diversity of opinion on this matter, and there is no clear future direction even now. So it is not surprising that the roundtable participants disagree as well.

[Answer] [Eng Ivan Svitek, chief economist, Bratislava Slovnaft VHI] I am in favor of leaving depreciation charges with enterprises, but even if we do this, implementing self-financing will not be easy. We chuckle at statements that redistribution should be abolished. Currently a large percentage of our depreciation charges are redistributed, while on the other hand our profits taxes are reduced. The result is one large mess. We have been fighting against it, but because of the technical aspects of these matters there appears to be no alternative. That is why we chuckle. During preparations for the wholesale price restructuring due to take place on 1 January 1988, we drafted detailed budgets. These budgets showed that even if we meet the targets for the Eighth 5-Year Plan, our VHI and its key organizations, such as the Slovnaft sectoral enterprise, will not have enough resources (given current levels of transfers of depreciation charges). In other words, we could fulfill the plan but would be operating at a loss while doing so. This realization demotivated us. [editor's note: the Slovnaft VHI was established on 1 Jan 1987] The shortage of resources is directly related to redistribution of depreciation charges, and affects the key organizations in this VHI.

We, therefore, requested strongly that our capital assets be revalued as part of the price restructuring. It is our view that we should be depreciating even fully depreciated machinery. Otherwise, technical progress will be slowed down, first of all because simply replacing machinery with equivalent models is expensive, secondly because the depreciation charges are reflected in the costs, and thirdly there is the product itself. After all, we will not be producing top of the line sulfuric acid, but it will be sulfuric acid just the same.

[Answer] [Krejca] The wholesale price restructuring that will take effect on 1 Jan 1989 will establish a new revenue position. All of us, of course, operate on the basis of projections. I remember the restructuring of 1



Jan 1967. At that time, we established a uniform profitability level at 22 percent of wages. All of the 120 VHU established in 1965 complained that they could not base their operations on this standard. During the first quarter of that year actual profitability in the consumer goods industry was 44 percent and everyone was astonished that it had happened. The point is that not a single wholesale price restructuring has ever been unsuccessful. They have all been successful in unanticipated ways, namely in above average revenue formation. We are all aware of these experiences, and they also form a basis for our decisions.

[Answer] [Lubomir Moravec, chief economist, Wool Industry VHU] In my view, I consider the imposition of a uniform profitability level of 4.5 percent of capital assets to be an unrealistic feature of the price restructuring. With regard to the depreciation of capital assets, it is well known that both light industry and the textile industry are operating with very old machinery stocks, and that the current machines, because of their age, are being carried at relatively low acquisition costs. Setting profits based on these costs will not allow these industries even to replace these machines, given current high machinery prices and the probability that these prices will increase still further with the application of electronics to these sectors.

The capital assets in our VHU are currently valued at about Kcs 10.7 billion. Using revaluation coefficients based on comparative capital asset prices for the Fifth through the Seventh 5-Year Plans and pre-1970 prices, the value of this capital stock would be about Kcs 16.5 billion. Because of this discrepancy, we will be unable to include some Kcs 260 million in profits in our prices. This is true for the VHU as a whole. Of course, each division faces a different situation determined by its product line and the resulting differences in capital stock.

[Answer] [Kyzlink] If self-financing is truly to fulfill its function it must include economic incentives. Currently it is my view that there are no links between performance and the potential for resource generation. Under the regulation of self-financing the center cannot impose investments on a firm that would be ineffective, unless it is prepared to cover any losses that might ensue. On the other hand, enterprises should not be able to hide behind this provision.

[Answer] [docent eng Josef Valach, candidate for doctor of science, finance and credit department, Prague Economics College] There is also a link here to specific decisions. Internal resources as a percentage of investments stood at 44-50 percent in the 1971-1973 period, 38-47 percent for 1976-1980, and 36-69 percent since then. This means that up to 70 percent of capital investments, with wide fluctuations of course based on the industry involved, are currently financed with internal resources. But does the final result, the net contribution in capital investment efficiency, correspond to this

growth rate in the percentage of internal resources used for self-financing, which we say we need to support and increase? Not by a long shot.

[Answer] [Svitek] We should not forget the influence of foreign trade. Last year, even after adjusting the plan during the course of the year, we fell short of our profit targets by Kcs 500 million, almost exclusively due to declines in the price of crude oil products. The worst of it was that we were left hanging. We understood that when the plan was evaluated the state would cover these losses, but in the end there were not enough resources. In the past when we have done well in sales of crude oil and crude oil products the money has been taken away from us as windfall profits. We have not, therefore, been able to put any of these profits from good years in our contingency fund. Now that things are a little better this year we are again concerned that the state will take some of our revenues as windfall profits. Isn't this in conflict with the principles of self-financing?

In addition, the financial and economic mechanisms of foreign trade work against any increase in trade with socialist countries. Now that we are adopting principles of self-financing, what incentive does a firm have to produce certain products under cooperative agreements to trade with socialist countries when it derives no benefits from the imports and produces the product at a huge loss? We are currently exporting antioxidant to the USSR in exchange for goods delivered to firms outside of our VHU. We receive less money than we would if we exported this product to a capitalist country. So we are producing this product at a loss. Because of the counter-deliveries, however, the transaction is a net plus for Czechoslovakia. We are in effect contributing to the self-financing of other VHU. When we discussed this problem with the comrades at the FJE, they recommended that we compensate for this somehow. But who will produce the stuff. We have intergovernmental agreements under which we are delivering such products on an experimental basis for two years now at wholesale prices. The Federal Ministry of Foreign Trade pays for it from the state budget. This helps our balance of trade.

[Answer] [eng Hugo Kysilka, candidate for doctor of science, director, economic division, Federal Ministry of Foreign Trade [FMZO]] I must comment on the statement that international cooperation and financial mechanisms are the causes of operating losses and that they are disincentives to integration. When the investment objectives were being developed at Slovchemie, efficiency issues were analyzed in detail and the conclusion reached that these projects would have an acceptable rate of return and other positive impacts. The reason that some exports are being produced at a loss, especially those affected by intergovernmental agreements, is the current levels of wholesale prices. These prices were set on the basis of prices of potential or actual imports from developed capitalist countries. Converting these hard currency prices to koruna prices naturally results in very high prices, substantially higher than prices we can

obtain in trade with the USSR, because these prices are derived, under CEMA methodology, from world prices by the exchange rate between the convertible ruble and hard currencies. This fact, along with the high profit levels built into our domestic prices, are well known. This is why we adopted measures under which certain products are offered for export at wholesale prices. The wholesale price adjustment scheduled for 1 Jan 1989 should correct this disproportion.

[Answer] [Salom] Whether an enterprise is established at the level of a current VHI, or a current enterprise, or at some other level, it is the entity that will have the funds and that will be on a full cost accounting basis. This firm, no matter how big it is, should have the right to decide on the modernization policy of its constituent units. No one should have the right to make this decision for it, or to redistribute assets allocated for this purpose.

[Answer] [Nepras] Given the resources available to our current VHI, we anticipate that we will be able to put our member divisions on an equivalent footing somewhere between 1995-1997. Until that time we absolutely must redistribute resources. Only when there is a common basis can we say that organizations should be capable of self-financing.

#### Equal Opportunity for All?

[Question] There are some investments for which firms are hard pressed to earn the necessary resources in a short time. For instance, equipment for continuous steel casting costs hundreds of millions of korunas. Still, this is definitely not a reason for allowing general and full redistribution.

[Answer] [Eng Jaromir David, candidate for doctor of science, staff economist, First Brno Machine Works] With regard to redistribution, there is still a wide range of organizational techniques for production equipment. I agree that we should not permit too much of an atomization of the national economy, because matters would become unmanageable, and not every firm is capable of earning enough revenues to implement self-financing. Here is where the association option is interesting, i.e. when state enterprises merge their activities, but not their management. This has applications in foreign trade, in deliveries of turnkey projects, in R&D. It is a common activity throughout the world. Firms contribute specific financial resources to a venture, people are named to manage this money, an enterprise is established, and the potential for development ensues.

[Answer] [Nepras] In our case, we must generate certain resources related to the investment policy of concern R&D programs. We invest roughly Kcs 1 billion each year. It appears that we should centralize roughly 20 percent of these funds to make them available for concern level R&D tasks and investment projects. This means that about Kcs 150 million of the Kcs 500 million

currently allocated to R&D should probably be made available for concern level tasks. This would allow us to offer all constituent enterprises a level playing field.

[Answer] [David] There is also the matter of the philosophy behind equivalence between organizations. It is my opinion that this should be accomplished through some indirect economic mechanism. There is the danger that the leveling we have tried in the area of wages and capital investment (when everyone had to receive something, resulting in a fragmentation of resources) may further expand. The good intentions behind making various organizations equal can result in making some well managed firms poorly managed with no guarantee that the poorly managed firms will improve at all.

Put simply, if we are not willing to let the marketability of products be our guide, allowing products to be the driving force of investment and financing, then we are doomed to slide back into the mechanistic management of financial resources. This is an administrative system. Resources will be provided to firms that are defined as not being capable of self-financing. Under these conditions investments are bound to be ineffective, as people have mentioned here. If the firm is accountable for this ineffectiveness, that certainly changes the situation.

[Answer] [Nepras] At the national level we are approaching 50 percent obsolescence of our national capital stock. Some firms, certainly, are operating with equipment only 35 percent depreciated, while others have equipment that is 85 percent depreciated. We want to establish a target level to rectify this situation. We revalued capital assets at 1986 price levels, and based on this established an approximate average value of machinery per production worker for the target year.

[Answer] [Eng Ivan Kocarnik, candidate for doctor of science, director, research and reports division, FMF] The problem still remains whether we should be giving to all on an equal basis. Will all firms provide the same levels of value added to our inputs? Operating conditions differ. Some firms are reducing their capital assets, others are expanding. Fairness lies in somehow balancing this process. But we should keep in mind that efficiency should be a part of these baseline conditions. We should be in the business of supporting firms that have the potential to add relatively more value to specific inputs.

[Answer] [Nepras] If profits are slated to increase by 21 percent each year, then you need to provide at least some material support to help a firm achieve this goal.

[Answer] [Kocarnik] That implies the position that all firms should have equal opportunity at the beginning.

[Answer] [Kysilka] Comrades Svitek and Nepras have stated here that once wholesale prices have been adjusted, under the current concept of this adjustment, the key organizations of their respective VHI will not have

enough resources to be self-supporting. This might actually be quite justified economically, because one of the things this price restructuring is designed to find out is whether or not the firms we think are key for R&D progress are in fact the most important.

After all, if wholesale prices remain in their current state, i.e. with profit levels that fluctuate randomly, without any relationship to foreign prices, and often without any basis in actual costs, then we will have no criteria for judging economic advantage, and any kind of resource formation related to self-financing loses its rational basis. All decisionmaking at both the enterprise and central levels will again be somewhere between subjectivism and voluntarism.

[Answer] [Svitek] Organizations, especially key organizations, will have operating losses mainly because they have built into their prices considerations that handicap their operations. For instance, they are not allowed to factor interest payments into their projections. In 1989 our VHI will pay at least Kcs 530 million in interest payments for loans that to some extent were forced upon us in the past by the system of transfer payments and loan policies related to capital investment. If we fulfill plan targets under the adjusted prices we should have net profits of about Kcs 1.9 billion. Interest payments immediately eat up Kcs 530 million of these profits. When we analyzed the situation we discovered that organizations that have been investing in the past will have the most problems, while those operating with fully depreciated machinery will not have difficulties, as long as they do not upgrade their equipment. This is the situation I mentioned before. Firms that today have no depreciation charges will see their costs increase sharply once they purchase any new equipment.

#### Where Are the Resources Going?

[Question] Only rarely does one encounter an organization where the employees admit that redistribution works to their advantage. More frequently they are calculating how much has been siphoned off. Significant resources are being redistributed. In this context the seminar participants brought up the link between self-financing and the availability of modern equipment.

[Answer] [Miloslav Reis, chief economist, Chepos VHI] I will be interested to hear if anyone who has received redistributed resources will speak. This is to some extent an ironic comment, but logically justified, nevertheless.

In the past we have seriously underestimated self-financing. As economists we should have been arguing for its adoption long ago. If we had, we would be farther ahead now. What is preventing the adoption of the principle of self-financing? Every VHI has firms that operate at a loss. At the same time we need these firms, so the

question becomes what is effective and what is ineffective. All restructurings have had their positive contributions. Where, then, did they come to grief? In the transition period. We have consistently failed to pay enough attention and differentiated concern to all the related questions, from redistribution right through the state of the capital stock.

[Answer] [Kyzlink] You say, comrade Reis, that we should have begun self-financing earlier. We must take into account, though, that self-financing requires the existence of certain conditions in the management and financial systems. If we had started earlier with self-financing there is a real question of to whom it would have applied.

It is, however, true that there was a time when, amazingly, self-financing was regarded as revisionist, as something suspect, because it violated the law of equilibrium between resources and requirements. Under these conditions, self-financing became a formality. The reasons for the poor return on so many investments, in my opinion, is that investors as a rule have not had to take much of an interest in how effective their new investment might be. For firms that are behaving economically, designers will be forced to keep efficiency in mind from the very start of projects. Efficiency must truly become the fundamental consideration in all enterprise investments.

[Answer] [Reis] You know, the quantification of revenue positions for redistribution purposes has gone so far recently that projected allocations to the export incentive fund are being included in the resources earmarked for the fixed distribution payment. This is really paradoxical if we are in effect offering incentives to organizations to earn revenues for their fixed distribution payment. For practical purposes, this means that we are penalizing well managed firms by making them uncertain whether they will obtain an incentive subsidy, while at the same time we stabilize the economic environment of firms receiving redistribution payments with the fixed allocation. If, then, redistribution will remain necessary during a transition period (and I am not convinced that it will be a short one), we should at least make it a policy of supporting economically the organizations from which we demand the redistribution payment.

[Answer] [Ing Stefan Bazant, director of the state budget office of the organizational financial planning division of the FMF] The question has been raised as to just who receives these redistribution payments and where all this money goes. We have studied this problem extensively because part of our job is to minimize redistribution payments. Here are some figures at random. Noninvestment subsidies amount each year to roughly Kcs 40 billion, discounts from investment transfer payments about Kcs 4 billion, redistribution within national committees about Kcs 5 billion, negative sales tax about Kcs 26 billion, subsidies for investment about Kcs 12 billion, etc. Total profits nationwide are about Kcs 150 billion.



and about Kcs 100 billion of these profits are redistributed. If you look at these categories one at a time you find out that you cannot touch a single one of them, because modifying any of them would bring chaos to the financing of enterprises. Finally, for your reference, of the 420 VHI in the CSSR, 28 operate at a loss, and 98 are only minimally profitable.

[Answer] [Valach] Investment is the critical part of self-financing. I think that the main problem is in the qualitative level of self-financing, not whether a firm has to cover 40, 50 or 60 percent of its investment needs. I, therefore, think that certain ideas one often hears, i.e. that self-financing is the main driving force of economic restructuring, or that self-financing is the main mechanism of enterprise economic incentive, are far from the truth and idealize reality to a large degree.

Several conditions must exist to support high quality self-financing. We have already discussed one condition, namely the baseline conditions. This is not the same as introducing formal self-financing. If some firms are already covering 70 percent of the costs of new investments from their own pockets, why do you want to increase self-financing? The main issue to be resolved is the link between the actual investment decision and the efficiency of the investment. The person making the decision about an investment should be the one to bear the consequences of that decision. If this is the case then maybe it will not even be necessary to finance 70 percent of a project with internal resources, and self-financing will operate much more effectively than is now the case.

[Answer] [Moravec] Self-financing must be firmly related to the investment decision. As an experienced wool industry worker, I must say that we do not receive the contracts for most of the investments in our sector within the context of the CEMA. This means that the equipment must be imported from nonsocialist countries, self-financing in the wool industry, then, must include foreign trade considerations and the management of the revenues generated by foreign trade activity.

[Answer] [Valach] A second condition of self-financing is the generation of resources. One may adopt accelerated capital asset depreciation as a way to free up resources for an enterprise to use. These are not financial resources, however, but money for purchasing hard assets, if not at home, then abroad. Otherwise, self-financing is adrift and totally ineffectual. We have become accustomed to presenting things in methodologies. We state, for instance, that strengthening self-financing as a mechanism of enterprise economic incentives for effective resource formation increases pressure for effective investments. The problem is that self-financing in and of itself does not generate any basic incentive for investment efficiency. Incentives to become more efficient arise from a system which ties enterprise wage resources to the achievement of certain goals. This is what generates pressure on efficiency. Financial mechanisms can only supplement this to a certain degree.

I am in favor of cost accounting self-financing, but specifically for improving it in quantitative ways that will facilitate specific gradual steps that must be taken. I think that this is the only possible way to increase the role of self-financing.

A number of questions remain. This discussion pointed out that firms must carefully consider opportunities for using their own resources to finance projects. Going beyond certain boundaries may reduce the stimulative impact of project finance using internal resources. If the planned management system of an organization does not demand superior economic performance, then it will not produce such results, nor will it develop a sense of obligation to finance investments internally. The economic incentive that internal financing can generate is only a part of the overall economic incentives of a given management system.

It is certainly possible to strengthen the interest of a firm in the financing of the projects that they need for their own operations. These include investments that will lower production costs and improve labor productivity. These are the types of projects that set the groundwork for improved performance and the benefits that this produces. If investment projects, moreover, are tied to economic performance, this benefits the entire collective of employees. On the other hand, if an enterprise finances projects the main interest in which is that of the society, then the stimulative impact of internal financing will almost certainly be less. An ash separator increases production costs without any direct benefit to the firm that installs it. There is a role here for economic penalties that may be imposed to force firms to make these types of socially necessary investments.

Then there is the question of what to do with organizations that are not equipped with the necessary machinery through no fault of their own. There are sectors for which it may be stated that over the past 10-15 years they have made minimal investments, but nevertheless have generated considerable resources for society. One example is the textile machinery industry. The sole caveat to this statement is that enterprise management is supposed to take care of all aspects of sectoral development, including capital investment. There are also firms whose poor position has internal reasons. Some have not been interested in development either because of their location or product line. The commendable effort to give all entities a level playing field at the start and to use redistribution for a period of time to implement this, would appear to be unjustified in the above instances. Moreover, we are still dealing with the consequences of a leveling program in the area of wages. Differentiating wages, which we would like to do, inevitably means that better employees receive more, and less competent employees receive less. Is it possible, however, to differentiate among managements in an environment of self-financing immediately, or should this be the ultimate objective. We must not forget that in our economy, as currently organized, there are many firms that are not paying their own way. What is to become of them?

### **Necessity of More Flexible Pricing System Advocated**

24(000)38c Prague HOSPODARSKE NOVINY in Czech  
4 Dec 87 p 6

[Article by Dr Oldrich Schwarz, director of the Kotva department store, Prague: "The Unavoidable Need for Flexible Prices"]

[Text] The key question in restructuring the economic mechanism is that of setting prices. If the net profit is to be the basic indicator of economic activity, the inputs and outputs in production and trade activities as expressed in prices have a decisive significance. It appears that this is generally recognized, but so far we find very little in the way of concrete starting points in the economists' writings for an effective mastering of how to fix prices in the new conditions.

The main task is to find a mechanism for the functioning of price setting which would effectively impact on the removal of bottlenecks in supply and demand without the need for detailed directive resolution from the center. It is a matter of far-reaching use of price mobility as a tool for the desired effect on the behavior of the subjects of economic activities in keeping with the market demand and simultaneously warding off the danger of inflationary developments which threaten the stability of more than one economic system, not only in the developing countries but also in highly industrialized states.

### **The Difficult Search for a Price Mechanism**

Eng Josef Sejak, CSc, of the CSAV (Czechoslovak Academy of Sciences) Economic Institute, tried to point out the way specifically in HN (HOSPODARSKE NOVINY) No 35/1987. As is the usual thing today, he placed "foreign or world prices" in first place as to the factors which create the norms for verifying the "necessity" of the costs of Czechoslovak manufacturers in the group of so-called competitive products. He includes among them particularly the products of processing in which creative human labor comes into play. Here in the CSSR, this involves the predominate part of the fields of the industrial branch with the exception of part of the energy industry and the production of foodstuffs.

The author cites in second place the setting of prices for the so-called subsidized products which meet the basic needs of the population.

In third place are the goods and services for which the conditions exist for affecting price determination on the basis of domestic competition. He conceives of this group, however, rather narrowly as locally important goods and services. In every case, however, Eng Sejak in

his attempt at categorizing the various groups of products with various techniques of setting the price opens things up for specific discussions.

### **"World Prices?"**

Mainly, as far as the relationship of the prices of our industry's products to the so-called "world prices," it is necessary to go far more deeply into the arguments. In a television discussion of the proposal for the law on state enterprises, I asked the large group of economists present to explain clearly what they actually mean by "world prices" and how they are supposed to act. By the democratic route of voting by those present, the question was withdrawn from the program and cut out of the transmission by the editors.

We must welcome all the more the highly serious and well-founded attempt by Dr Fr. Vencovsky from the State Planning Commission to explain the task of bringing our prices and foreign prices closer together in his article in HN No 32/1987. Because Dr Vencovsky has mastered this area not only generally, but in specific practices as well, his arguments are to the point and for just this reason finally ended up in a blind alley.

The fantasizing of some economists who are attempting to convince us that the majority of the problems of price formation will be resolved by our switching over to "world prices" such as we deal with in importing and exporting goods deserves explanation by way of direct questions.

Let us take, for example, the Skoda automobile, which is quite cheap. It would not be difficult to determine through various calculations the appropriate value for our exports expressed in a retail price in Kcs for the domestic market. Could someone perhaps explain what we would gain by having the manufacturer forced to sell the Skoda auto in the domestic market for the "world price" achieved through this? It would also be possible to go at this the reverse way: calculate the appropriate price for similar autos of the Skoda type in specific countries and prohibit exports if we do not reach the "world price." Probably such a mechanical approach would harm the export of Skodas.

The originators of the "world prices" method find many advantages in a strict limiting of exports according to the regulatory level of prices achieved by the competition in foreign markets. One cannot deny the stimulating element in this area, but should we make a rule of this approach?

Dr Vencovsky correctly warns economic romantics about overrating any automatically positive effect of the action of import prices on the domestic economy. This cannot be enough for khozrazchet decisionmaking. It is not just a matter of replacement expenses for imports, but also of replacement income for exports.

On the capitalist markets a price is set according to specific offers and demands to everyone everywhere, as it should be, and to carry over some of our specific approaches influenced by thinking on the state monopoly as we have become accustomed to it over long years has little in common with setting "world prices."

Dr Vencovsky carefully evaluates the relationship of prices to basic commodities on the world markets and here in this country, whether it is metals, textile raw materials, or certain foodstuff primary products. In such cases it is certainly possible to work with world prices and it is necessary to agree with the fact that the movement of these prices on the world markets must be respected in our setting of prices.

### **Speculative and Inflationary Influences**

On the other hand, however, not even Dr Vencovsky is up to continuing in the area of making our domestic prices objective with the goal of bringing them in line with export prices as a whole and in relationship to the basic value tendencies in the world. He founders on the requirement that such shifts in foreign price relationships which are the result of inflationary or speculative influences should be excluded. He states that this is an exceptionally difficult task which our economic research so far has had difficulty handling.

I would add that Dr Vencovsky wants something from economic research that is simply impossible. The speculative and inflationary influences in the movement of prices not only of the common consumer goods, but also of, for example, basic raw materials are an inseparable part of the entrepreneurial action of the subjects of the capitalist market and it is not possible to exclude them. Moreover, there is not even any reason to. Indeed, if we do not produce the raw material or the product we will buy it anyhow at the spot price on the market and "freeing" these prices from speculative or inflationary influences makes no sense.

It is enough to recall the measures of the countries associated in OPEC in the matter of the production, and thus the prices, of petroleum. It was indisputably a matter of a deliberate inflationary action by those who could indulge in it. However, to exclude the actual effect by some kind of calculations is groundless. It is possible to limit its effect in practice only from the position of an important producer of petroleum, whether or not a member of OPEC, who can by his approach play a certain role in the world oil markets.

This is the heart of the matter. When we cannot do otherwise, we must accept the actual facts of price development in the world. If we can do otherwise, then I ask, why we should from some economic assiduity behave like the capitalists?

It appears that some of our economic theorists, in amateurish enthusiasm without their own analysis of their recommendations in the matter of "world prices", are copying from the Hungarian and Yugoslav economists without evaluating the practical long-term effects of such approaches.

So far no one has been able to convince me with material arguments what advantage we will get when we, with our relatively small economic potential in the world market, will always and obediently adjust to the price influences in the markets of the capitalist countries. The achievement of a short-term effect of stimulating entrepreneurship in the domestic market with difficulty can be seen as outweighing the inevitable carry-over of all the maladies of the capitalist market economy into our economy. It will unconditionally come to, for example, an inflationary development in prices for which we have created an especially fertile soil by the mechanisms of our own market operations which have operated up until now.

### **A World Market of Socialist Prices**

How then should we proceed so that the capability of the socialist state to affect the development of prices by administrative methods does not amount to a continuing exclusion of all, even partial, economic tools and thus also to a total denial of the possibility of universal action by the net profit indicator in our conditions? I believe that instead of tying all our economic operations to the speculative approaches of the capitalist market entities, where we are not at all up to playing some kind of role as an important partner and shareholder in their management, we should decisively turn to opening up price rapprochement within CEMA.

Without regard to the fact that this association so far is not playing the role which it should play in the field of "world prices" and others, it is the single real force which can protect especially the small socialist economies from the Yugoslav path of unrestrained inflation.

It would be necessary to remind the economists who plan with obvious enthusiasm for the miraculous effects of opening our market to "world prices" that not even the most advanced capitalist countries feel so strong in their price mechanisms in many areas that they do not protect themselves against the "automatic action of world prices" in some areas at least. For the EHS (European Common Market), it is enough to bring to mind all the well-known measures to protect the market for the production of their own farmers, and import quotas for industrial goods are well known in the EHS and the United States, as well.

An important source for learning would be a decisive opening of the path toward "world socialist prices" within CEMA. There is no doubt that price influences from markets outside CEMA would indirectly affect such a development, but the action would not be direct



and would be in keeping with the need for a gradual gaining of control of price developments within the framework of foreign trade influences.

Eng J. Sejak also lays out the problems involved with subsidized goods and services, which concern foodstuffs, electricity, transportation, communications, etc.

He has in mind an important factor in wage and price policies which particularly in some areas works actively on the consciousness of people who are afraid of an overall decline in their standard of living because of a devaluation of the koruna's purchasing power. This is a matter which is also not unknown in capitalist economies. The application of a central view to the development of the prices of certain goods and services does not, however, cause a collapse of the capitalist market systems.

It is, of course, a matter of dispute whether the factor of the need for continuously increasing the standard of living can be met just by means of direct management of the price developments for subsidized goods and services. In my view, it is generally applicable in a socialist economy and must be promulgated by specific state activities in a much broader context.

The state must maintain an overall influence over the development of price levels by utilizing both types of influences in an effective mix, that is, administrative decisions and economic stimuli.

### Increasing the Decreasing Prices

In some current administrative methods of managing price developments we have now reached the point where we effectively prevent not only price increases, but also their reduction.

Each socialist businessman and every manufacturer and operator of services should have a wide open road to absolute freedom in price competition in the field of lowering prices and it should be possible for him, without the need for asking anywhere, to work with trade margins lower than the established ones, with utilization of the advantages of larger production runs and cheaper inputs, including those gained by importing materials and products, to effect a reduction in prices.

It does not appear that the arguments for the so-called "consumer protection" according to which it is necessary at any cost to prevent anyone from selling goods cheaper than his competition are justified. It is necessary to protect the consumer against a rapid increase in prices; but what is bad about having an economically positive effect on the development of price levels so that effectively working manufacturers can sell cheaper through trade? It will probably be a more effective method of slowing down inflation than just its administrative prohibition.

As opposed to an unlimited possibility of reducing prices, however, there must also exist a limited possibility of raising them, and in previously established ways. The advantage of such decisions for the solution of some burning questions of satisfying the market demand was indisputably tested out and, despite partial disproportions, brought many positive effects.

Whether we officially admit it or not, the price of scarce types of goods will be set in the market, even though its growth will be reflected only in the much criticized acceptance of bribes for under the counter sales. To the degree that we do not correct this problem officially, it will be resolved without us, in an active fashion, in the sphere of the "shadow economy."

What paths are open for the regulation of this development? I would put in a word for transferring the guarantee of its control to trade. Only it is in daily contact with the consumer and can consider the justifiability of price movement. It is necessary to determine administratively the limits of an indexed price development for an entire group of goods which cannot be exceeded, but within this group of goods let the socialist trade enterprise decide independently. Let there be an integration of prices with production at a level which will lead to the rapid solution of shortages, especially in the area of the most various small items of daily needs. Let no one have any illusions that this sphere of shortages can be overcome by any orders from the center.

Space should also be created for an actual economic price for luxury goods of all types with an obligation of maintaining the entire price spread in the market. Here too the businessman should have the main say so, as it always has been. Only he can in practice verify the justification for changes in the price relationships within entire groups of products. An index guarantee of the overall price movement is enough.

Only in exceptional cases should the setting of the prices of specific types of goods be further determined by the center.

The price policy of a socialist state cannot be successfully managed by the state monopolizing the right to approve entire categories of specific prices. It rather consists of general conditions for an efficient movement of prices up and down, according to supply and demand, and to the actual capacity of the economy to fully satisfy it the needs.

6285/9738

### GERMAN DEMOCRATIC REPUBLIC

#### 'Hidden' Unemployment, Forced Retraining, Reduced Wages Cited

23000048 Bonn DIE WELT in German 14 Jan 88 p 3

[Article by Jakob Osten: "Not Unemployed, But Still Without a Job"]

[Text] It sounds contradictory: unemployed workers who keep their jobs. But such is real life in the "other" Germany, where for official purposes there is no such

thing as unemployment. However, expert observers believe that in the GDR one-third of the work force have jobs, but no work.

Jens W., a mason, reports that "for weeks we were sitting around without anything to do. We were supposed to build a wall, but the blocks did not arrive. I don't know what the excuse was this time. Our foreman called headquarters several times. But they said we should wait. We played card games in the building site trailer from morning till night. But that finally became a bore." Jens W. continues: "Finally one of us came up with the idea that it was stupid for all of us to keep sitting around. We worked out a regular duty roster. After that, only one of us sat in the trailer. The others could either be reached at home or left a message as to their whereabouts. We established a real communications network for use in case the building blocks suddenly turned up. Anyone who had a telephone had to take off immediately by car or motorcycle and pick up the others. In this way we were able to use our time more profitably. After all, there are always a lot of things to be done around the house." That is lack of work rather than unemployment in the Western sense of the word.

Officially there is no unemployment in the GDR; there is only full employment. This fact is forever cited as an example of the vast difference between East and West. There is no such word as "unemployment" in the socialist dictionary. But for some years now it has been an open secret that "hidden unemployment," or more correctly, lack of work, is rampant. Expert observers of the East believe that this affects up to one-third of the work force.

As late as the end of the 1970's the deficiencies of the GDR economy were explained as resulting from a severe shortage of workers. Then the SED leadership went whole hog with "efficiency." The new motto: "Fewer people produce more."

Since 1978 there has been wholesale retraining of the workers. Using the Soviet Novopolozk chemical works as a model, the campaign started in the state-owned Petrochemisches Kombinat Schwedt. Twenty-eight percent of the employees changed jobs.

In the Frankfurt/Oder district alone, where Schwedt is located, 180 other factories followed suit. However, analyses have shown that almost all workers remained in the same plants, but in different jobs consistent with their retraining. The "surplus" workers were hardly absorbed by other enterprises.

However, there are examples where plant closings led to limited brief unemployment as to time and location. One example was Zwickau, where the coke plant closed because bituminous coal mining was partially discontinued. The workers retrained and are now working in a specially built nearby concrete slab plant; older workers

took early retirement. Things were different in a metallurgy plant north of Berlin. When it closed down, the workers were offered jobs in a plant at the other end of town. That meant several hours of travel to and from work every day, because West Berlin had to be bypassed.

#### Fluctuations To Be Channeled

According to official data from East Berlin, several hundreds of thousands jobs have been "eliminated by efficiency" by robots and the widespread introduction of microelectronics. At the last SED party conference it was announced that by the start of the 1990s 80,000 industrial robots would come into use. At the same time, a general hiring freeze was decreed for all enterprises, so as to direct the fluctuations in the work force into orderly channels. Only such sensitive areas of the infrastructure as the railroads, mail service, deep sea fishing, heavy machinery manufacture and the People's Army are exempt from these restrictions.

Many workers had predicted this development. They took matters into their own hands and tried to change their occupations by publishing want ads. A surprising number of university graduates looked for new types of occupations outside their own fields. Even reductions in income were acceptable, if only they could escape from the melting pot of reorganizations.

There was a sudden halt to job advertisements in April 1985. Those seeking to place ads were referred to their local employment offices. Ads will be accepted only after they bring a "permission slip" from the employment office. However, such ads are mostly useless, because the factories and institutions have been instructed to ignore them.

In SED party meetings this measure was justified as countering class enemy propaganda, which was said to have used the growing number of job-wanted ads to promote fear of alleged unemployment in the GDR. The new employment offices at district and urban councils, which were established in parallel with the big "personnel economy measures," were said to have the task of channeling these personnel resources. They were said also to be making efforts to "counteract an excessive fluctuation," which can be accomplished only in a tightly organized manner.

Economists have calculated that there would be very few unemployed in the FRG if productivity were as low as it is in the GDR. The reverse is true also: if GDR productivity were to approach Western standards, about 1 million unemployed could be counted on there. In other words: 10 people in the GDR produce as much as seven in the FRG.

East Berlin has a difficult time in dealing with these problems, because its labor legislation contains comprehensive protection from being fired. A socialist employer, who almost always is a state-owned enterprise or a

state institution, can fire an employee only if he is a notorious shirker, criminal or confirmed alcoholic; not even a grave industrial accident caused by negligence constitutes adequate cause.

It is possible that this constitutionally enshrined, and until now generously applied, right to work can no longer be guaranteed in view of the large-scale restructuring plans. Western experts have believed for some time that "open" unemployment will occur shortly in the GDR.

SED ideologues are having some problems with their hidden unemployment. They admit privately that a small army of unemployed would serve to maintain work discipline. As Chief Ideologist Kurt Hager puts it, the widespread restructuring of the work force has "an impact upon the structure and profile of the working class." This results in some concern in the factories and offices of state-owned industries.

#### Marching Under the SED Flag is No Longer Enough

Job dissatisfaction is widespread. The limits of "make more and more out of less and less" have been reached for many, as have the limits of performance incentive. Even hard work no longer produces rewards for the individual. Between 1982 and 1986, average gross incomes in state-owned enterprises rose by barely 11 percent; during that same period, the GNP rose by 21 percent. Even in the GDR, no one wants to work any more for a scroll, a pennant and a handshake from an SED official.

It has practically become a habit to start work late and leave early. Rest periods are overextended. During the working periods employees leave their job sites to go to the hairdresser, go shopping, or run errands to government offices. Frequently the workers take it easy during the day to gather strength for private hellraising after hours and on weekends.

When it was said early last year at the union congress in East Berlin that the 40-hour week was still a long-term goal, one worker said: "I don't understand why they keep talking about this day after day. We've had a 35-hour week for a long time!"

Unemployment for political reasons is another chapter. Anyone who had until now applied for emigration permit could count on losing his job immediately and to be given a less important position, occasionally at the same pay. However, early last year an unofficial rule became effective which guarantees their jobs to applicants for emigration permits until their departure. This is to prevent sensitive areas of the infrastructure from being further weakened. In this manner, some of the highly qualified workers are contributing their knowledge and experience until the last moment. This "soft" reaction, in conjunction with many other "incentives," is designed to encourage voluntary withdrawal of application for emigration permits.

## ROMANIA

### Development, Modernization of Production Forces Discussed

27000031 Bucharest ERA SOCIALISTA in Romanian  
No 19, 10 Oct 87 pp 4-8

[Article by Univ Prof Dr Florin Balaure, Dr Gheorhita Dina: "Modernization of the Production Forces Essential to A Higher Stage of Development"]

[Text] In the historical and dialectical-materialist view, the production forces are a concept of vast economic, philosophical and social-historical significance. Their effect upon social development is all-inclusive. In fact, the progress of the production forces critically affects material production, development of production relations, people's social activity, their levels of thought and awareness, etc. This multitude of effects of development of the production forces is not automatic, immediate, direct or uniform. Moreover under some circumstances the effects are not invariably or entirely favorable. The law of unity and conflict of opposites operates in that process too. Of course material production and the economy in general feel and assimilate the changes in the production forces more rapidly and directly than other sectors of society, incorporating and in a sense exploiting their effects directly.

Throughout the history of mankind development of the production forces has been the decisive factor for the socioeconomic progress of any country or people. This basic principle of scientific socialism provides the key to understanding the course of history, the dialectics of the succession of social systems, and the mechanism of the development and resolution of socioeconomic contradictions, permitting strictly scientific determination of the strategy for socialist and communist construction.

### The Policy Critical to the Victory of Socialism

In setting the strategy for building the new social order the RCP has been consistently proceeding from the Marxist view that accomplishment of the aims of socialism critically depends upon creating strong production forces and a complete, modern and highly technical and efficient economy on that basis. In stressing this requirement the party secretary general said, "It is axiomatic that socialism and communism cannot be achieved without a strong material base and without intensive development and continuing modernization of the production forces."

The RCP's strategy for developing the production forces is focused on the policy of nationwide socialist industrialization which, as the RCP Program says, is regarded "as the foundation of economic and cultural progress, improvement of the people's living standard, society's all-around development, and the security of national



sovereignty and independence." The beneficial effects of the industrialization policy are fully felt today by the entire Romanian people and are apparent to any objective observer. In a relatively brief historical period, Romania has been transformed from the backward agrarian country that it used to be to an industrial-agrarian country with a strong industry in full course of modernization and an agriculture equipped with modern technology that is rapidly advancing on the path of intensive development and high productivity and efficiency.

In 1986 the industrial output was over 100 times greater than in 1944, the agricultural output was 6 times greater, the social product was 27 times greater, and the national income was 32 times greater. Notable progress was made in all the other sectors of the national economy. The production forces have been harmoniously distributed throughout the country, creating increasingly favorable conditions for eliminating the inequalities inherited from the old regime in regard to access of the population in all areas and localities of the country to a thriving economic and cultural existence.

In 1985 the national income (the indicator that correlates the developmental level of a country's production forces, the extent of its expanded reproduction, and its economic strength) was 4.4 times greater than in 1965 and 18 times greater than in 1950, and Romania was among the world leaders in economic growth rate. In the same year the per capita national income reached about 33,000 lei, over 3.6 times higher than in 1965 and about 15 times higher than in 1950. The value of fixed assets in operation in 1986 came to about 3 trillion lei compared with only 517 billion lei in 1965. Over 90 percent of the total fixed assets were created after 1965.

The Ninth RCP Congress was crucial for development of the production forces and of all Romanian socialist society as well. It inaugurated the period of the greatest achievements and the most dynamic socioeconomic development in the Romanian people's age-old history. This marvelous era is directly due to the radically innovative theoretical and practical activity of Nicolae Ceausescu, party secretary general and president of socialist Romania. His bold and profoundly original thinking based on his understanding of man's social development and his vast political and organizational experience acquired in his long revolutionary activity has strongly influenced Romania's entire socioeconomic development in the last 22 years.

During those years the national economy made unprecedented gains. A modern industry and a strong technical-material base were created that permitted high growth rates of the social product and national income and provided lasting conditions for the people's greater material and cultural well-being. Nicolae Ceausescu said,

"If Romania, in taking the course of socialist construction, had not developed the production forces intensively and had not built a modern industry based on the most advanced technology, we would still be an underdeveloped country dependent upon the industrialized countries."

#### **Modernized Production Structures and Accelerated Technical-Scientific Progress**

The capacity of the production forces to bring society up to ever higher levels of civilization heavily depends upon their developmental level and the degree of dialectical coordination of their components, namely the means of labor, objects of labor, science, and the labor force. The interrelations and connections in which the various components of the production forces objectively evolve and actually operate cannot be harmonized optimally unless the production structures meet the requirements of the developmental stage and the social needs adequately. Accordingly, the strategy for development and modernization of the production forces must provide for the balance and development of the reproduction process and improvement of the economic structures (of sectors, subsectors, regions, etc.) in such a way that the socioeconomic complex will operate as efficiently as possible and meet the social needs as fully as possible. As we know, among the production forces objects of labor and energy sources are both growth factors and restrictive factors. Under Romanian conditions in the present stage, development and modernization of the production forces objectively require a priority on expansion of energy and raw material resources. To that end and in accordance with the guidelines of the 13th Party Congress, a number of very extensive special programs have been adopted and are being consistently implemented for purposes of more intensive geologic research, accelerated development of the extractive industry, improved processing and better exploitation, especially of deposits poor in content of useful substances, strict conservation of energy and scarce raw materials, recovery of all reusable resources, and implementation of a new and radical agrarian revolution that will considerably increase agriculture's contribution to the national economy's general progress.

In its turn the processing industry will undergo new and radical qualitative changes in the current five-year plan and on to the year 2000. With sustained promotion of the intensive kind of growth, production of means of labor is characterized by increasingly rapid incorporation of highly technical products making better use of energy and raw materials and providing greater efficiency comparable to that obtained in the economically advanced countries. In 1990 over 96 percent of the commodity output supplied by the machine building industry will consist of new and redesigned products with technical and qualitative performances up to world standards. Production of technological equipment will be steadily developed, especially that for advanced metallurgical processing, precision mechanics, electronics,

microelectronics, and the chemical industry, particularly for low-tonnage chemistry, as well as production of robots and manipulators outfitted with high-performance equipment and apparatus.

The average annual rate of renovation of the machine building industry's output specified for the 1986-1990 period will permit placing about 3,000 new products a year in manufacture. Renovating products and continually improving and enhancing the value of their structural, technical-operational, ergonomic and aesthetic characteristics are very important for reducing consumption of raw materials, materials, fuels and energy and for increasing their durability in operation.

In the present decade the Romanian machine building industry is firmly committed to manufacture of such highly advanced new products as depth drilling installations, offshore drilling installations, high-capacity turbine sets, solar intakes, wind turbines, immersible pumps for geothermal waters, advanced equipment for nuclear-electric power plants, multipurpose agricultural machines, 5,000-horsepower electric locomotives, large-class passenger planes, high-precision machine tools, advanced apparatus for laboratories and scientific research, automation components, third and fourth generation process computers, industrial robots, etc.

The diversified assortment of the machine building industry and the higher technical level of its products call for an extensive diversification of the metallurgical industry, which is taking firm measures in the current five-year plan to increase the proportion of higher-grade alloy steels for manufacture of very advanced and high-precision machines and installations. Outputs of rolled products and light and pipe shapes will be primarily expanded and will amount to 15-15.4 million tons and 2.2 million tons respectively in 1990. The production structure will be diversified by making new, higher quality products and the quality of the existing products will be improved, so that major increases will be made in the outputs of pipes and high-resistance wire, cold-drawn products, cold-rolled steel sheets and strips, steel cables, metal cord, tinplated sheet iron, et al.

The chemical industry has been developed very rapidly in the last 20 years. The quantitative growth of its output has been accompanied by regular diversification and modernization of the list of chemical products (over 15,000 in all) and by steadily improved efficiency and intensive use of raw materials and energy in processing. Among the peak fields of this sector that are specially emphasized in the long-range production structure the following are outstanding: fine-synthesis chemistry, low-tonnage products, ultrapure materials, semiconductors and monocrystallines, high-purity reagents, production of white products from superior processing of crude oil, production of chemically treatable hydrocarbons through continuous renovation and modernization of the technologies for processing crude oil and for chemical treatment of methane gas, production of liquid

fertilizers and compound fertilizers with microelements, production of pesticides, etc. It is planned to expand production of biosynthesis and fine synthesis products in the pharmaceuticals industry as well as that of products exploiting the national resources of medicinal plants and bee and animal extracts, and to diversify and accelerate development of the output of rubber and processed plastics.

The vitality of the production forces in Romania and the extensive changes by way of their modernization and improvement of the industrial production structure are critically affected by the extent to which they are supported by research, by the rate at which the research are accepted and incorporated in production, and by the steps taken so that science and technology can determine the accentuated productivity growth in terms of the indicators of economic effectiveness (costs, productivity, net income, profitability, etc.). Through its application, science becomes more and more of a direct production force and a vital factor for modernization and efficiency.

Of course, the beneficial effects of science and technology upon the modernization and effectiveness of the production forces do not come about automatically. The process must be purposefully supported, organized and promoted. In view of those considerations, the RCP emphasizes the new technical-scientific revolution in its strategy for developing and modernizing the production forces and stepping up the operation of the intensive, qualitative factors in the process of expanded reproduction. As Nicolae Ceausescu said at the 13th Party Congress, "Scientific research and rapid and consistent introduction of the research findings and the new gains of modern science and technology into production have a vital part to play in implementing the program for socioeconomic development in the next five-year plan."

The strategy for developing and modernizing Romanian industry in the present stage is based on the scientific research and technological engineering programs approved by the First Congress on Science and Education on Nicolae Ceausescu's recommendation and also on the programs for scientific organization and modernization of production drafted under the direct supervision of Academician Dr Eng Elena Ceausescu. These programs call for very extensive scientific research, technological development and introduction of technical progress in the 1986-1990 Five-Year Plan with the direct participation of the central institutes for scientific research and design, the scientific academies, all units for technological engineering and research, the ministries, the industrial centrals and the large units throughout the whole socialist economy.

The programs adopted by the party and state administrations call for an extensive effort to electrify the entire economy by introducing computing equipment, mini- and microprocessors and process computers in all the economic sectors and in society as well. Automation of the production process in the processing industry will

be expanded, as well as introduction of flexible automated cells and lines in particular, which use the whole assortment of data processing equipment from manipulator robots and industrial robots to robots equipped with artificial intelligence.

The unconventional technologies applied in machine building, for example, are based on the latest discoveries in nuclear physics, electronics and photonics, radically changing, quantitatively and qualitatively, all the processing methods previously known in that field. Use of plasma and the laser permits more rapid and precise technical operations for processing the materials with a lower energy input and high economic effectiveness.

It is very important to develop some new materials different than the known ones and with far better properties. The science of materials in Romania has been able and will be better and better able to make advanced technologies available to the various industrial sectors for making composite materials of polymers, metal, ceramics and wood products, materials with physical and mechanical properties surpassing all previous ones.

#### Accentuated Agricultural Development

Achievement of a new agrarian revolution is an important point in the strategy for developing and modernizing the production forces in the Romanian economy. As we know agriculture is the second basic sector of the Romanian socialist economy. It provides foodstuffs essential to the public's consumption, supplies industry with agricultural raw materials, forms surpluses of agricultural products for export and thereby procures major foreign-exchange resources. Agriculture also provides an important market for a number of industrial products and is invaluable for environmental protection and restoration.

In view of all these considerations, the 13th Party Congress pointed out that in the present stage the steady progress of the national economy as a whole is inseparable from securing an optimal ratio between industry and agriculture by developing agriculture intensively, modernizing it rapidly, and considerably increasing its contribution to general national development. Nicolae Ceausescu says, "In the 40 years and more since the victory of the Antifascist and Anti-Imperialist Revolution for Social and National Liberation, we have accomplished two great revolutions in agriculture. Now we are facing the third great revolution, namely the new agrarian revolution. The first two were more of a social and economic kind, while the new agrarian revolution emphasizes application of science, a new kind of production, and a superior agriculture in keeping with the entire people's ownership of the land and with socialist ownership in agriculture as in the economy as a whole."

If it is to meet some regular demands of development and modernization of Romanian society's production forces in the present stage and those of the entire

economy's steady progress, the new agrarian revolution, being a process of great breadth and depth, requires a general change in the material conditions, in the nature of the work and the way of working in agriculture, and in the peasants' way of life and thought, as well as provision for high agricultural outputs to meet the entire people's consumer needs and the requirements of national economic development.

An intensive, highly productive agriculture requires massive efforts to keep expanding and improving that sector's technical-material base. The investment effort in agriculture is supported out of state funds and those of the cooperative units, and it emphasizes modernization of the technical-material base and technical progress in its main directions, namely enhancing the productive capacity of the soil, mechanization of the production processes, comprehensive use of chemistry, and application of the greatest advances in nutrition, genetics biotechnology, etc., to production in order to make substantial gains in productivity and economic effectiveness.

It is intended to complete the process, in its general lines, of mechanizing both crop production and zootechnology throughout socialist agriculture by the end of the current five-year plan. That will be a critical step toward meeting an essential requirement of the new agrarian revolution, namely conversion of agricultural labor to a variety of industrial labor. While increasing the number of tractors and agricultural machines, steps are being taken to improve their technical performances and to diversify their assortment to meet the various requirements of the different crops, categories of land, and operations to be performed in all stages of the production cycle in both the crop and zootechnical sectors. As a result, in 1990 agriculture will have 180,000 tractors, averaging one separate tractor for about 55 hectares of arable land, and a set of highly productive machines performing several operations simultaneously.

The technical equipment of agricultural labor was further expanded after 1965 especially, when on Nicolae Ceausescu's initiative this basic sector of the economy ceased to be underrated as it had been in the previous period and a greater volume of investments was allocated to it for development and modernization of the material base and regular promotion of technical progress in agricultural production. Consequently, a trend is apparent in this period toward reduction of the gaps and correlation of the levels of equipment of labor with fixed assets both between industry and agriculture on the whole and between the state agricultural enterprises and the agricultural cooperatives, and among the counties as well.

Along with the emphasis upon qualitative improvement of the technical equipment of labor, soil fertilizing will also be improved, in a well-balanced fashion and according to scientific standards, avoiding waste and preventing polluting effects. The quantity of chemical fertilizers



will reach 3.5-4 million tons of active substance, averaging 335-380 kg per hectare of arable land. The irrigation and drainage systems will also be developed, in order to control both insufficient and excessive moisture effectively. During the 1986-1990 Five-Year Plan 1.8-2.3 million hectares will be improved for irrigation, so that there will be 5.5-6 million hectares by the end of 1990, making it possible to accomplish another major aim of the new agrarian revolution, namely high and stable yields regardless of the amount of precipitation.

Development of the technical-material base of agriculture is also basically dependent upon structural improvement of the agricultural output, especially as regards the ratio between crop and livestock production, in the sense of increasing the proportion of the latter in the total agricultural output. To that end, along with the emphasis on bread-grain production development of zootechnology is being specially emphasized. Its proportion will reach about 48 percent in 1990, while the production structures within those sectors will be improved qualitatively.

In the RCP's strategy structural improvement of industry and the economy in general according to sectors is correlated with the policy of rational allocation of the production forces throughout the country, or with improvement of the regional economic structure, and such steps are also being taken toward intensive growth of the economy. Allocation of the new production capacities that will be built primarily in backward counties, areas and localities will not only bring the natural resources and manpower in all the counties into economic circulation but will also make fuller use of them and accordingly make the materialized labor more effective. It is significant for the planned progress in this field that in 1990 an annual per capita volume of economic activity will be performed in each county amounting to at least 80,000 lei, including 50,000 lei in industrial output. Clearly the policy of rational allocation of the production forces throughout the country is aimed at the social aspects as well as the economic ones, and equal living and working conditions for all Romanian citizens regardless of their nationality or location.

#### **Intensive Development and Greater Effectiveness Essential in the Present Stage**

The 13th RCP Congress placed intensive development and greater economic effectiveness among the major aims of the broad and comprehensive process of developing and modernizing the production forces in the present stage. In accordance with the congress' decisions, Romania's transition to a new stage of economic development, namely from that of a developing socialist country to that of a medium developed one, is the strategic objective of the current five-year plan, so that in the 2000s it will become a fully developed socialist country wherein the communist principles of work, distribution, life, ethics and revolutionary equity will be increasingly forceful in all fields. In full accord with the

requirements of this great historic strategic objective, the Eighth Five-Year Plan (for 1986-1990) is chiefly characterized by the shift from extensive to intensive economic development and attainment of a new and higher quality of work and life in all branches and sectors of socioeconomic activity. This policy is intended and implemented as a broad and comprehensive revolutionary process involving structural-qualitative changes in the main correlations of expanded socialist reproduction between the quantitative and qualitative aspects of production and especially among the factors for socioeconomic development.

The qualitative changes involved in this process will be succinctly expressed by the more rapid evolution, in all sectors, of the indicators of the final and net results of economic activity (physical production, net output, commodity-output, national income, labor productivity, etc.) compared with those of the overall results and consumption of material resources (gross output, social product, energy consumption, etc.).

Technical and qualitative improvement of products is to make a major contribution in the present stage to development and modernization of the production forces and intensive economic development. The necessity and many implications of this factor for economic progress are apparent, and it requires improvement both of the performances, structures and reliability of the products and of their economic characteristics (inputs, productivity, costs, extent of use of raw materials, export effectiveness), or in other words output of products of maximum use value at minimum outlays.

In the present stage development and modernization of the production forces and intensive economic development are also critically dependent on more pronounced growth of social labor productivity. As Nicolae Ceausescu has said repeatedly, it is vital for the Romanian socialist economy to increase its productivity and to become competitive in that respect with any developed economy. Without considerably greater labor productivity, there is no way Romania can become a medium developed country, to say nothing of a fully developed one. The 13th RCP Congress accordingly stipulated that about 90 percent of the growth of the national income is to be obtained by increasing labor productivity.

According to the provisions of the Program for More Pronounced Growth of Labor Productivity by 1990 (a program already drafted in the last five-year plan), industrial labor productivity in terms of commodity output will show an average annual growth rate of 11.2 percent. Major gains are also specified in construction, agriculture, transport, etc.

Development and modernization of the production forces and intensive reproduction will objectively lead to reduction of material production outlays in all branches and sectors. Under the conditions of the Romanian economy this is an urgent necessity imposed by a great

many such circumstances as the considerably increased proportions of production and accordingly of the requirements for raw materials, materials, fuel, energy and water; the limitations of the natural resources and the greater difficulty of exploiting them as well as the heavy foreign-exchange outlays required to import them, and the high proportion of material outlays in the social product (about 60 percent). In view of these considerations, the 13th Party Congress decided to lower the proportion of material outlays in the social product to about 53 percent in 1990 and their proportion in national industry per 1,000 lei of commodity output by more than 80 lei. To those ends, it is necessary in the 1986-1990 Five-Year Plan to reduce energy consumption per unit of national income by more than 30 percent in 1990 from 1985, to considerably lower consumption of nonferrous metals in the electrical engineering industry and other sectors, to raise the proportion of steel in the metallurgical industry's output of rolled products, and to conserve chemical products, raw materials in light industry, and all material resources. The reduction in specific material and energy inputs and the gain in unit value of the products made by improving their technical and qualitative performances will result in a considerable more intensive exploitation of the raw materials, materials, fuels and energy.

Pursuant to the decisions of the 13th Party Congress, a number of measures were taken throughout the economy to build a solid foundation for the provisions of the five-year plan and to meet all the requirements for intensive expanded reproduction and substantial gains in economic effectiveness. For those purposes an extensive effort has been and is being made in all industrial sectors to organize the units scientifically, to modernize them, to improve technologies and promote technical progress, and to improve the organization of production and labor. Among all the provisions in the programs for modernization and scientific organization of production and labor in the units, the new technologies and improvement of the technical and operational parameters of the machines and equipment play the critical part. To be sure their application requires a radical change in the situation in enterprises, in the kind of work, and in the way the managers and technicians think and act, as well as a considerable gain, of course, in economic effectiveness. They are intended for complete and maximal use of every unit's potential, of the material and technical strength of the production capacities, and of the creative power of the cadres, the highly skilled workers and all personnel, for more intensive exploitation of the reserves of greater labor productivity and lower material inputs and total manufacturing costs, and for improvement of all parameters of economic effectiveness.

Along with the effort made toward modernization and scientific organization of production and labor in the units, new measures have been taken on the recommendation and with the telling contribution of Nicolae Ceausescu to further improve the economic-financial

mechanism to meet the requirements of the Romanian economy's present stage of intensive development. In the planning field, the tasks of the State Planning Committee, ministries, centrals and enterprises in drafting and implementing the plan have been more precisely defined in order to strengthen the centrals' role in production management and to establish direct contacts between them and the State Planning Committee in both drafting and implementing the plan. The responsibilities of the collective management organs have also been specified as regards guidance of efforts via the plan in the directions critical to more rapid growth of economic effectiveness, such as greater labor productivity, technical and qualitative improvement of the products, manufacture of products competitive on the foreign markets, better use of production capacities, lower inputs of raw materials, fuel and energy, and more intensive integration, specializing and cooperation in production.

In the financial field, measures have been adopted for better formation and use of enterprise funds in close correlation with the results they obtain. An improved set of economic-financial standards for all material and manpower resources, fixed and circulating capital, and financial resources has been devised and gone into application, while the methods of financing and crediting the economic units have also been improved for purposes of better management and use of the existing potential and consolidation of order and discipline in all activities.

The results logged in Romania's socioeconomic development in the period since the 13th Party Congress indicate that the workers' efforts under the party organizations' lead have produced a development on the whole in all sectors. In 1986 the industrial growth rate was up 7.7 percent from 1985, the national income was up 7.3 percent, and labor productivity in national industry (computed on the basis of the commodity output) was up 7.4 percent. The agricultural growth rate was 12.8 percent, since the 1986 harvest of bread grains (over 1,100 kg per capita) was the best in the nation's history. Although the growth rates obtained in the main socioeconomic sectors can be considered good, as Nicolae Ceausescu said, they are not up to the Romanian economy's present potentials or the requirements for them. In fact, an exacting analysis made with a sense of revolutionary responsibility shows that the results obtained were below the existing potentials and requirements because there were still some defects in plan fulfillment and in modernization and better organization of production and labor. There were lags behind the plan provisions in the extractive and energy-engineering industries, in metallurgy, machine building and chemistry, and in performance of export tasks as well. They are largely due to persisting shortcomings in organization and management and to failure of some enterprises and centrals to correctly apply the principles of self-management, self-administration and self-financing, which principles are basic to the operating mechanism of the Romanian socialist economy.

The Political Executive Committee of the RCP Central Committee has analyzed these deficiencies in depth on several occasions, setting firm measures for immediate elimination of the defects found, recovery of all arrears and proper implementation of the plan provisions, so that every branch and sector will go to the National Party Conference with the fullest possible balance sheet indicating complete fulfillment and even overfulfillment of the plan tasks for 1987 and the whole five-year plan.

#### **The Individual as the Prime Factor and Supreme Goal**

The labor force, which lends value to all operations, is still the basic component of the production forces, motivating and activating their entire mechanism. The questions of the labor force's role in development and modernization of the production forces and of its evolution and influence upon progress toward fully developed socialism are, to be sure, neither technical nor strictly economic ones. The problems of the labor force in the socialist system are extremely complicated, with innumerable economic, social and political facets. They require careful, specific treatment both in themselves and in relation to the other components of the production forces and, what is highly important, in the uniform framework of the socialist production method and accordingly in consideration of the nature and qualities of socialist production relations.

In the years of socialist construction in Romania, great structural changes in the labor force according to age groups, sexes, sectors and regions as well took place as the employed population developed. In the years to come some factors for more complete and more efficient use of the manpower resources will be heavily emphasized, bringing about a rapid growth of labor productivity.

The RCP is specially emphasizing training and improvement of the labor force as part of the general strategy for continuing modernization of the production forces. Accordingly, the current five-year plan, during which the employed population is to increase by about a million, calls for training about 1.8 million skilled workers, technicians and craftsmen and 146,000 engineers and other specialists with higher education for the basic sectors of the economy. It also calls for an annual attendance of about 3 million persons a year in professional training and improvement courses.

The real purpose of the labor force as the basic and essential element in the structure of the production forces inevitably requires a continuing coordination of the technical level of the means of labor with the degree of technological development of production and the occupational structure and instruction of the workers. Discrepancies among them can cause malfunctions with bad effects upon the growth rate and efficiency of production. In view of this and the requirements of modernization, Nicolae Ceausescu has repeatedly stressed the vital importance of improved training of the

labor force. As he says, "We must specially emphasize the programs to improve the professional and technical qualifications of the workers and specialists in all activities. We need to raise the level of knowledge further if we are to accomplish modernization and the aims of the technical-scientific revolution and the new agrarian revolution."

The considerable expansion of automation, cybernetization, electronization, robotization, etc., in the next few years will shift the center of gravity of productive work more and more toward predominant handling of increasingly advanced sets of machines equipped with sophisticated electronic devices and apparatus, instead of simple tools and ordinary machines. Since the former must be designed, built and then activated and handled by very well-trained workers, research, innovation and technological application of scientific advances are becoming increasingly important basic components of production properly speaking.

The demands upon professional training are on new terms and more acute today and especially in the future, involving such highly diversified questions as the structure of the labor force according to specialties not only for the newest fields created by scientific and technical progress but also for the other fields, wherein the demands of the scientific-technical revolution are asserting themselves more and more rapidly, the constantly rising intellectual and scientific standards of labor, not only in research, design, planning, etc., but also in production properly speaking, use values and services; the increasingly rich area of technical knowledge that work in production demands as well as the greater capacity for flexibility in the working process and for rapid shifting from one field to another, and the ability to perform operations pertaining to allied or even different specialties simultaneously or successively, and the potential for research, innovation, forecasting, projecting, etc.

As the prime factor determining implementation of the whole program for national socioeconomic development drafted by the 13th RCP Congress, development and modernization of the production forces are chiefly intended to provide the necessary resources for the further improvement of the people's welfare. The growth of the national income provides for the growth of the public's incomes and real wages in the 1986-1990 Five-Year Plan. Consistent application of the principles of the socialist remuneration system and close correlation of every worker's earnings with the results obtained in production are also producing encouraging correlations among the incomes of various categories of personnel. On that basis and as the stability of retail prices and rates for services is maintained, the real incomes of the rural and urban workers are increasing. The volume of retail sales of commodities via socialist trade will be up 9.4 percent in 1990 from 1985. Housing conditions will be further improved by construction of more than 750,000 apartments. The 44-hour work week will be gradually



generalized throughout the economy, so that the workers will benefit by two days off per month in addition to Sundays. The health-protection system will be further improved.

The National Party Conference will open up new and important prospects for more and more pronounced development and modernization of the production

forces and for the rise of all Romanian society to ever higher levels of progress and civilization. Confident of those prospects, the workers and the entire people are greeting the conference with increasingly significant results in fulfilling the plans for this year and for the whole five-year period.

J186/08309

## CZECHOSLOVAKIA

### Housing Still Problem for Young People

24(000)37 Bratislava SMENA in Slovak 23 Dec 87 p 9

[Article by Eva Zelenayova from material of the Social Development and Labor Research Institute in Bratislava: "How Young People Live and How They Want to Live"]

[Text] In our society independent housing is considered one of the basic social securities. The existing conditions in housing, community and technical facilities, and recreational support do not meet the current demands and it is therefore imperative that we responsibly and thoroughly re-evaluate new construction in particular since it will serve mainly young people.

In evaluating the problems of housing for the younger generation we are considering young people aged 20 to 34 years. In the entire CSSR this group makes up 3,507,000 inhabitants, which is 22.7 percent of the overall population. Characteristically, they are completing their training for making a contribution to society, are gradually entering into social life, are getting an apartment and furnishing it, are giving birth to children, and are acquiring fixed habits and formulating their lifestyle.

Young people aged 20 to 24 years make up approximately 30.9 percent of the entire young population and we can break them down into two groups: the first is made up of youth who have gone to work and most of whom suffer from financial problems because they do not earn enough to satisfy their needs. The second part of this group of young people is made up of students with minimal earned income. Even in this group there are marriages, just as in the previous group, and they likewise suffer from a shortage of their own earnings, housing, etc.

Young people aged 25 to 29 years make up 33.1 percent of the younger generation and we can divide them into three groups. Working youth and young people with a middle-school education already have the initial problems with entering society behind them and a significant majority have housing and have already started a new family. The third group includes higher school graduates who still have the problems connected with setting up a household before them. Most of them also have continuing financial problems.

Approximately 36 percent of the younger generation is made up of young people aged 30 to 34 years. In this group, the differences typical for the foregoing age categories are already disappearing and they are beginning to blend in with the rest of the population. In this group, the financial and housing situations are usually already worked out and the family life has already taken on a certain lifestyle.

Housing is one of the basic problems which young people must resolve either before or after marriage. They have several options as to how to acquire housing, with the construction of a single-family home the most expensive, followed by some form of cooperative fixed construction which forces young people to adjust their lives to possibilities of getting housing in this manner. Another possibility is in cooperative housing, but this rarely immediately solves the housing problem; state housing is less and less realistic as an option because of its small share in housing construction. There also exists the possibility of buying a personally owned apartment or acquiring lower-category housing and taking on modernizing it. After the housing is acquired, other living demands show up.

Research by the Social Development and Labor Research Institute in Bratislava shows that young people rate the community facilities in their housing projects just as the other age groups of the population do. It gives a medium positive rating to the public, restaurant, and kindergarten facilities, but a low positive to the medical facilities, nurseries, and local transportation. The shopping and sports areas get a low negative, the network of services and cultural facilities is rated a medium negative, and the facilities for young people and children's playgrounds get very bad or very negative.

Young people's method of housing in the CSSR is not studied statistically and therefore the results of the institute's research do not necessarily fully agree with actuality. Some of them are very interesting and have something to say about the creation of territorial plans and meeting housing needs. A survey of a population sample shows that only 52.4 percent of households (at ages of 20 to 34 years) live in independent housing, with 41.5 percent in their parents' housing, 1.8 percent as subtenants, 2.5 percent at boarding schools or homes, 1.6 percent in their own housing but with another family, and 0.2 percent of the respondents in other facilities. The greatest portion of young people live in enterprise housing, some 40 percent, and cooperative housing, 33.5 percent. These are followed by housing in the family home, but the numbers have dropped significantly in comparison with the survey in 1979, which means that the decline in single-family home construction has been reflected in young peoples' housing.

It is comforting that when we compare the survey in 1979 with the survey of this year, there has been an increase in the number of young families which have their own housing by the fifth year after getting married. While in 1979 75 percent of the young families had their own housing by the fifth year after getting married, in 1987 it was up to 81.1 percent.

Of the young families, 28.7 percent would like to live in towns of 20,000 to 50,000 inhabitants, 20.5 percent in small towns close to an industrial center, the same amount in villages close to an industrial center, 1.42 percent in towns with over 50,000 inhabitants, 10.6

percent anywhere in a village, and 5.5 percent of young families had no preference as to where they live. In comparison with the previous survey, the interest of young people in living in the country and in small housing units increased and there is less and less interest in big cities.

In connection with determining opinion on the optimum type of housing, there was confirmation of the generally known position that the majority, 58.4 percent of the respondents, prefers to live in a single-family home. There is no interest, however, in immediately building a house. Roughly 42 percent of the young people have a preference for low-rise construction and only 3 percent preferred high-rise housing.

It is understandable that the younger generation prefers to acquire state housing, up to 54.1 percent of the total number of respondents, over the cooperative or fixed form which 17.1 percent indicated, and 15.7 percent considered acquiring personal ownership of housing as the optimum. The ownership form of housing was a matter of indifference to 13.1 percent of the respondents.

As far as the size of the housing is concerned, the younger generation prefers three- and four-room apartments of the first category. An area over 70 square meters is considered the optimum living area by almost 40 percent of the respondents.

Young families' housing, the acquisition of housing, and the expenses connected with this show a wide range of differences in the social group of young people aged 20 to 34 years. This is not a result, however, of the young people's interests, but of differing regional, social, and economic relationships. According to the results of the survey by the Social Development and Labor Research Institute, the most serious problems are the shortage of housing for young families in the urbanized centers and in the country, unsuitable types and structures of housing, the shortage of improved lots for the construction of single-family homes in the country and in towns, unplanned and lagging construction and renovation of community and technical facilities both in the new housing units and in the existing housing areas, differences in the expenses for acquiring and utilizing housing which do not respect the principles of social justice and social security, the construction and renovation of housing units for anonymous users which intensifies the alienation of people, and lastly the low financial assets of young families which makes them substantially dependent financially on the parents.

Even though the above information comes from broad surveys, and not just from the expertise of the institute, it cannot be considered to be complete. On the contrary, it demands systematic attention for us to start from the actual needs of the population in capital construction.

6285/9738

### Architects Voice Complaints

24000029 Prague RUDE PRAVO in Czech  
24 Nov 87 p 5

[Selected commentaries in an article by Peter Kovac and Karel Ulik: "From the Discussions at the Second Congress of the Czechoslovak Architects' Union"]

[Excerpts] The Second Congress of the Czech Architects' Union was held Saturday and Sunday in the Prague Palace of Culture. We bring you excerpts from some of the discussion presentations.

Master artist Zdenek Kuna, chairman of the Czech Architects' Union: The main question today and for the future of architecture in general is the state, capability, and ability of our construction industry. We declare unambiguously that it is not possible to speak realistically of the development of architecture, of the deliberate promulgation of R&D progress in projects, or of architecture which in its function and expression meets the demands of the conclusion of the 20th century if the sphere of implementation, without which architecture cannot get along, is backward. It is only to a very small degree that the Czechoslovak construction industry can today implement modernistic projects in their fullest quality, even though many architects themselves, taught by years of negative experiences, remain very close to the ground in their plans.

Stating the situation is not, however, the way forward. Architecture and construction are two mutually dependent aspects of one process and we would like to have them also be the inseparable guarantors of a unified result, the benefit of society as a whole.

A no less important question is that of intensifying contacts with the leading world innovators and an increased quantity of information on the current events in the world. Much of this can be done by the union periodicals, but much more by our union itself. We should seriously think in the immediate future about how we can, for example, set up exhibits and speeches in Prague and Bratislava by important world architects from the socialist and capitalist countries. Let us just remember what great significance for the development of Czech functionalistic architecture the two Le Corbusier lectures given in Prague and Brno in 1925 had. They stimulated discussion, enthusiasm, and rejection, but mainly they inspired creative architectural thinking which finally blossomed in unique works in Europe. And this is also what we should be concerned about today as well.

Matus Dulla, Slovak Academy of Science: At one plenum of the central committee we had a guest who said an unpleasant thing to us. He did it tactfully, so that it is possible that no one even noticed it in the bustle. He declared that architects are little respected. I think that he is right. In acquiring new knowledge of the world in general and of the world of architecture in particular,



everything has often shrunk down for us just to willfully curtailed experience, to looking at pictures in magazines, or to noncommittal, mostly skeptical debates.

When it will not be read, why write it! Magazines are not platforms where the authors want to impart new information and give their opinions. Criticism and polemics are vegetating. Books on architecture which we get published with difficulty are often feeble compilations. We translate hardly anything. It is an enchanted circle; we do not read and we do not write. How do we break it?

Only a purposeful drawing on knowledge from abroad can rouse us from this lethargy. We have not translated anything from Ikonnikov, or from Jenckse, or from Lynch. Have we translated anything at all? And we can also translate the Americans from Russian; they came out there a long time ago. We should therefore include the task of working up and implementing a demanding editorial concept for original and translated professional and scientific literature in the field of architecture and urban planning in our union's program.

If a number of architectural projects remain only at the level of pragmatic resignation and their program concept is zero, then it is no wonder that the professional scientific front has not built up any theory of architecture. On what would they build it? Yes, I know. It is not possible to shift the blame just to an absence of a philosophy of individual creativeness, but here as well the prerequisites must come into being. No theory in our field has ever been created a priori. It must come into being in reaching an understanding with creativeness.

Master artist Miloslav Sykora, Stavoprojekt Prague: Past and current deficiencies confirm that in the creation of a living environment it is not possible to separate quality from quantity. The neglect of the qualitative aspect in our housing construction is the cause of justifiable criticism by the populace in some sectors of our housing and living environment.

Unfortunately, architecture and urban planning are not sufficiently included in the legislative standards for housing construction, which makes it possible for some participants, the partners, in the investment process to neglect or underrate the social importance of architecture. Therefore to expect to raise the quality of our housing and the architecture of housing construction only by the principle of finding hidden opportunities for architectural and urban planning creativity and the area of design work would mean just a formalistic dealing with the deficiencies.

Evzen Kuba, Stavoprojekt Ostrava: It really matters to people in what kind of environment they live, what kind of construction projects they pass by daily. Dirty and peeling panels can induce emotions suitable only to the corresponding level. People are not blind. They move about with their eyes open and a susceptible heart. They notice and compare, here and abroad as well, perhaps

right in neighboring countries. Objectively stated, this comparison will not come out very favorably for us. We all know this well and are put out by it. But if they can do it elsewhere, under comparable conditions, then we must also be able to do it. No one can deny this by internal logic. The matter of architecture is also a matter of will. Responsibility and decisiveness!

Recently we heard from responsible persons the most pleasant assurances of a turnaround in the concept of our construction industry. It sounded good, but the years of the 5-year plan go by. It is very disturbing. So, like how many times in the past will everyone agree again that this old, well-known panel will do? Even for our picturesque little towns? As its distinctive input to the modernization and reconstruction of the center of town? It would truly be a hard awakening to reality.

It is particularly we architects who especially impatiently await the actual implementation of the new economic mechanism and the functioning of the law on state enterprises. We believe that the principle of self-financing does not threaten the creativity of architecture in the design institutes. Under certain conditions.

We have already agreed earlier that the current structure and functions of the design organizations have outlived their usefulness and have a negative effect in terms of the desired high quality of creativity in architectural works. The design institutes cannot be allowed to continue to be just the manufacturers of designs. There is a historical chance being offered to create a design enterprise in which it would be possible to put together comprehensive designer teams in a flexible manner, people who are personally interested both in the effect on society as a whole and in the quality of the creativity. Orders would be distributed between artistic architectural creativity and design activities, as is the case in some other fields in the cultural sphere, where the artistic creativity is directly tied to the production technology portion (television, film, arts and crafts). Architectural creativity would be evaluated by an artistic commission named by the promoter of the project. It is obvious that it would be necessary to adjust the price tag on design work in connection with self-financing relative to the prices for designs in industrialized countries and a number of other relationships.

Dusan Bohac, chairman of the Slovak Architects' Union: Currently it is unfortunately the case that investment practices so far do not include demands for creation of high-quality architecture and the inescapable need for the participation of architects is not ensured in the management process of investment, design, and implementation preparations. It is clear that higher legislative standards are needed which would resolve these problems comprehensively and uniformly.

At the same time we must more deeply analyze the internal reasons why under our conditions we have so little designer individuality, behind which there is creativity documenting great mastery, a creativity generally

recognized and accepted, a creativity growing out of our conditions and goals and at the same time relating to the overall urban planning and architectural development in the world.

06285/09599

### Critical Look at Environmental Protection Program

24000033 Prague *HOSPODARSKE NOVINY* in Czech No 49, 1987 pp 8-9

[Article by Eng Josef Vavrousek, candidate for Doctor of Science, Research Institute for Scientific and Technical Development, Prague: "Have We Decided in Time?"]

[Excerpts] Our system for managing environmental protection is not efficient enough. It has a very loose and complicated structure, and there is no central institution to coordinate activities at the national level. No organizational provisions have yet been made for environmental protection at the legislative level.

Nor is environmental protection well enough organized in state administrative agencies. The environmental councils of the CSR and SSR Governments are involved in a number of positive activities, but they fulfill only an advisory function, and have no decisionmaking authority. Meanwhile, environmental damage requires attention at the national level, along with extensive international cooperation.

Activities of the State Planning Commission are focused mainly on coordinating the state program of ecological investment (building waste water treatment plants, etc.). The State Commission for R&D and Capital Investment is involved in environmental protection and the rational use of natural resources through the preparation of conceptual and program documents and coordinating their implementation. It does not, however, have either the authority, personnel, access to information, technical or organizational capabilities to perform this function well.

State administration of individual aspects of environmental protection is in the hands of 13 coordinating central agencies, 12 of which are at the republic level. However, protecting the environment is not the main responsibility of any of these agencies, so inevitably their actions frequently involve the simplest possible exploitation of a given natural resource.

With significant exceptions (e.g., the North Bohemian Regional National Committee) environmental protection is also not handled well at the national committee level. The national committees are relatively weak in comparison with production sectors. Voluntary social organizations that would involve experts and laymen with an interest in ecology have not yet appeared in this country.

The results is that the management of environmental protection within the current organizational structure is handled in a fragmented and isolated way, with no account taken of the interrelationships between individual components of the environment, and without the establishment of links to other processes that are ongoing within society. Economic growth and environmental protection are separated from each other, with preference given almost exclusively to short term economic interests.

Our legal code contains some 165 standards governing interaction with the environment. Each one relates either to one aspect of the environment (water, air, soil forests) or to one of the factors disrupting the environment (noise, vibration, ionized radiation, etc.). These individual standards have been developed with no mutual interrelationship, so that the system of regulations is disorderly. There is still no "umbrella" legal standard. The obligation to protect the environment and to use natural resources in a rational manner is not adequately included in either our constitution, our commercial or our criminal codes.

The quality of specific standards differs widely. Laws governing water resource management are by and large satisfactory. Laws related to air quality, soil forest and general protection of nature have been less well thought out. No provisions at all have been developed relative to solid waste management.

Moreover, the record of compliance with standards is horrible. Standards are frequently ignored either purposely or out of ignorance, or regulations are rendered useless by the granting of mass exceptions. For instance, at the end of 1985 some 2,400 exceptions had been issued related to the water law of the CSSR, and the CSR government alone was considering an additional 1,300 applications. Even though the exceptions were revoked, firms continue to discharge untreated waste water. This conflict between relatively strict laws and very lax enforcement of compliance results not only in environmental destruction, but also in a substantial weakening of the efficiency of the legal code as a whole.

The orientation of the plan towards volume indicators forces enterprises to focus on the amount of product they manufacture rather than product quality. This in turn leads to excessive use of natural resources, and the generation of large amounts of waste. Extensive redistribution processes to a large extent mask differences between organizational managerial efficiency and therefore different attitudes to the environment.

Every 5-year plan adopted in recent decades has contained goals related to environmental improvement. These plans also included, however, production and other tasks, the implementation of which inevitably led to further environmental damage. The plans have, in other words, lacked internal consistency, as well as priorities for ecological goals.

The environmental "sector" is inadequately represented in the current planning system in the form of an environmental protection plan. This for practical purposes restricts the resolution of ecological problems almost exclusively to correction after the fact or to measures involving compensation. There is no systematic prevention program aimed at changing those production and consumption patterns that damage the environment. In fact, measures have not always been imposed even after the fact. In the Fifth 5-Year Plan ecological investments (in waste water treatment plants, separators, etc.) accounted for 1.47 percent of total national economic investment (Kcs 8.2 billion out of a total of Kcs 559 billion). In the Sixth 5-Year Plan the figure declined to 1.17 percent (Kcs 9.2 billion out of Kcs 756 billion), and in the Seventh 5-Year Plan to 1.0 percent (Kcs 7.2 billion out of Kcs 725 billion). These are investment projects with budgeted costs in excess of Kcs 2 million. In the current 5-year plan these investments will be 2.3 percent of the total (Kcs 17.1 billion). To date, however, these resources have not been fully allocated because of a lack of interest on the part of investors and suppliers.

Staffers working on ecological problems are dispersed throughout numerous organizations and their work is poorly coordinated. There is not enough international cooperation.

Territorial and district planning is poorly coordinated, and has very little power relative to "sectoral" plans. Even those organizations involved in exploiting various areas are not well coordinated, which leads to an accumulation of unwanted impacts on ecosystems created by both nature and by man, and to the appearance of synergistic phenomena that disrupt ecological stability.

This set of plans does not take sufficient account of the fact that the retention or renewal of ecological stability in a region is a prerequisite of economic development.

The significant scope of irreversible intervention in natural environments is in sharp contrast to our relatively limited knowledge of ecological laws. On top of this, fully demonstrated findings are frequently ignored. Economic development is too closely linked to a rapid and wasteful use of renewable but mainly nonrenewable natural resources, use which amounts often to pillaging. The result is gradually to restrict the options of future generations. We have no long term strategy for integrating ecological concerns into the national replacement process, where they should be as an essential component of economic intensification.

The pricing system takes only little account of the rarity of nonrenewable natural resources, their level of disruption, and the overall costs involved in replacing renewable resources. No value is assigned to natural resources under the current foundation theory, so they are costless goods. Their price is derived solely from the costs of extraction. The unsustainability of this concept has led to the establishment of certain protected zones where, at

least theoretically, natural resource exploitation is prohibited. The resources located in these areas, therefore, have an infinite price. This is a price policy polarized at two irreconcilable extremes.

The prices of a number of products do not reflect the total social costs of their production and costs related to compensation or the prevention of future damage, or costs of collection and recycling of the used product. Relatively low prices of electricity, heat, cement, steel, and other products, the production of which causes extensive environmental damage, is one of the reasons for our widespread waste of these resources, and consequent additional environmental damage.

Prices of secondary raw materials (waste and discarded products) are always very low or do not exist. Thus, there are no incentives to process the wastes for use or for sale. Secondary raw materials are not even interesting to their potential users. It is more advantageous for them to obtain relatively expensive primary raw materials that they can include in the price of the product, and because normally they need to expend less effort to process a primary raw material.

Prices in this area clearly are not fulfilling their informational function, because they do not point to the rarity of natural resources and the degree to which the environment is being destroyed. Nor do they play an incentive function, because they provide no motivation to conserve raw materials and energy, or to install equipment or design products with improved environmental performance. Prices also do not have an impact on the distribution of resources that are created. An organization that unthinkingly consumes and utilizes natural resources and emits harmful substances receives no penalties and sees no negative revenue impact from these activities. Prices thus have a negative impact on the rationality of decisionmaking at both the micro- and macro-economic levels.

Allocations to the replenishment fund do not take adequate account of environmental replacement, based on the implicit assumption that this type of replacement takes place of its own accord, based on the regenerative capabilities of nature. However, the limits of these natural capabilities have been significantly exceeded on most of our territory. The total consumption of our society is now higher than the realistic regeneration capacity of natural and manmade environments. We should adjust our reported national income downward by an amount equal to the excess resources we consume and the damages caused by waste emissions.

The system of penalties (fines, levies, and payments) for environmental pollution are to a great extent ineffectual. In relation to the damage caused, the penalties are relatively modest. Moreover, they remain at the same level, while the costs to rectify the damage constantly increase. For enterprises, then, it makes more economic sense to damage the environment than to install new



equipment, build a waste water treatment plant, an emissions treatment facility, or a managed solid waste dump. With the exception of the power generation sector the costs involved in operating a separator are higher than the fines payable for polluting the air. Sometimes the differences are striking. In metallurgy the fines are 100 times lower than the costs of the emissions control equipment.

Current credit and tax policy provides no incentives, either in the form of favorable credit terms or tax credits, for the installation of ecologically more appropriate equipment or for the production of products with improved ecological performance characteristics. There is not a single standard related to capital investment projects that strictly prohibits beginning the operation of a project that does not meet current antipollution standards. It is sufficient to justify why the standards are not met. This leads firms to adopt a narrow view of economic efficiency that focuses exclusively on immediate returns and the reduction of nonproductive costs. These include the costs of solid waste and water treatment facilities.

There is a significant number of sources of information related to the environment. At the national level there are at least 19 specialized information systems and 9 branches that keep statistical records. All these systems, unfortunately operate in isolation from all the others, so the data is never compared. Lots of information important for recognizing relationships between nature and society, and on which to base operational decisions and strategic plans is monitored and analyzed either not at all or in an unsystematic fashion. It is, therefore, often impossible to generate time series data. There are also problems with the reliability of certain data.

There is a fundamental problem with the accessibility of processed information. This makes it impossible, or at least difficult to establish reverse links based on relationships that have been demonstrated between certain activities and a specific type of environmental damage. This complicates the coordination of preventive and corrective measures.

Results of analyses indicate that current management of the national replacement process contributes significantly to environmental damage and to the nonrational use of natural resources. This basic characteristic remains unaltered by isolated "improvement" consisting in the introduction of individual, but always isolated corrective measures. An effort to incorporate ecological considerations in the management system of the national replacement process must become an integral component, and an essential precondition, of any attempt to restructure our society.

A change in the organization of our society and an improvement in the management of environmental protection will require at the microeconomic level a substantial increase in real decisionmaking authority at the

VHJ and enterprise level, an increase in their responsibility for natural resource utilization, waste emissions, and the ecological characteristics of their products. Increasing accountability without also increasing decisionmaking authority will not change the attitudes of any firms to ecological problems.

A further requirement for improving environmental protection efforts is to create the position of a relatively independent enterprise ecologist. This person or persons would be equipped with decisionmaking authority both at times of accidents that threaten the environment and for input into decisions related to production programs and changes in technology. It would also make sense to re-evaluate the product based motivation for the establishment of most enterprises and to make it possible to establish combine type organizations for the comprehensive (waste free or low waste) utilization of raw materials and inputs. The first order of business would be the setting up of materials and energy flows within territorial entities.

At the macrosocial level it is clearly advantageous to reduce substantially the number of central agencies and to take away their authority to intervene in any way on economic or other processes. Conceptually, three specialized state commissions would play key roles in economic management. The State Planning Commission [SPK] would follow mainly the quantitative aspects of development. The State Commission on R&D and Capital Investment [SKVTIR] would be responsible for qualitative matters. A third commission would be responsible for regional issues, including the comprehensive development of territorial entities, and above all rational land use and environmental protection. So far we lack a central institution with this mandate. With such an entity established, the process of developing a strategy for the development of our society would involve the constant confrontation and interaction of the positions of these three groups on the overall national replacement process.

The proposed state commission for the environment and natural resources would be responsible for developing programs in eight areas.

1. The development of standards limiting natural resource use, the emission of harmful substances, and other forms of environmental damage and the adoption of penalties, corrective, and preventive measures.
2. The comprehensive monitoring and evaluation of natural resource use, environmental quality and its impact on health care, social, economic, political and other programs, and the domestic and international factors impacting the environment.
3. Macro- and microeconomic changes designed to reduce negative factors affecting the environment and to conserve natural resources.

4. The preparation and implementation of less energy and raw materials intensive, low waste, recycling, purification, and other ecologically responsible production and consumption technologies.

5. The preparation and production of products with better performance characteristics relative to the environment, and with recycling capability.

6. Introducing ecological considerations into rural management throughout the country, including the protection of nature, and the genofund of plants and animals.

7. Introducing ecological considerations into management, education and training (in both applied and basic research).

8. International cooperation.

To carry out these functions, the proposed commission would have to have not only the requisite decisionmaking authority, but also the necessary resources, including an environmental protection fund.

The production and control functions of state administrative agencies, national committees at all levels, and other organizations must be precisely defined. Specialized control agencies should be given some real autonomy. They should have the authority not only to propose fines, payments, and other punishments for pollution, but also the authority to impose the penalties.

We must also support the development of voluntary citizen and professional activities focused on organizing environmental protection efforts.

Improving the legal code involves first of all adding to the constitution a right to a clean environment for all citizens, and an obligation on the part of all citizens, organizations, and state agencies to protect the environment and use natural resources wisely. It would also be desirable to revive and speed up work on an umbrella law codifying the basic principles of environmental protection. This law should also coordinate the relationships between specific laws and standards that apply to specific parts of the environment, or to factors in or consequences of environmental damage.

The above standards would be most effectively based on the following principles:

- the prevention of ecological damage,
- reducing emissions and their sources,
- making the producer of wastes responsible for their correct disposal,
- incorporating environmental protection measures in all programs and plans.

All laws and other standards of the administrative, commercial, and criminal codes should include standards and precise timetables for the tightening of limits on acceptable pollution levels, and corresponding increases in penalties for violating these constraints. In extreme cases, the law should provide for the closing of any facility that does not comply with the established conditions. These standards should be strict but feasible, so that they will not be devalued by the granting of exceptions. The implementation of these principles will require much more conscientious work on the part of prosecutors general.

Improving the planning system should include a fundamental change in the concept underlying the entire process. The emphasis should be placed on its democratization, based mainly on broad participation of people in decisions affecting the values that are to underlie objectives at all levels. This makes it essential to eliminate the traditional directive concept of the plan. The goals and strategy of the plan should be implemented mainly through indirect mechanisms and orders from the state (based on competitive bidding), and only in exceptional instances in the form of binding directives. All goals and tasks in a plan must take account of ecological conditions and the changes that they will cause in these conditions. This means that the environmental protection plan will become much more important (as well as natural resource management), which makes a change in its content mandatory. The environmental protection plan should provide first of all for a systematic reduction in negative environmental influences, then for an improvement in the ecologically related parameters of manufactured products. This plan should become a part of a regional plan resulting from integrating current district and territorial plans. One of the functions of this plan will be to establish local, relatively autonomous production and consumption cycles requiring minimal inputs of external raw materials and energy, and which would have the smallest possible negative impact on the environment.

The strategy of including ecological considerations in the national replacement process should be developed in the form of a specific program which would become an integral component of a set of priority programs that include the rough outlines of solutions to all the basic problems of social development.

The current concept of socioeconomic efficiency should be expanded to include an ecological dimension, with ecological considerations receiving "equal billing" in decisionmaking. Permits to export or to import should be made conditional on the products in question meeting required ecological standards (emissions, noise, vibration, electromagnetic radiation, etc.) To finance measures that exceed the capacity of a single enterprise, a single state fund for environmental protection should be established. Natural resource management should be administered by the proposed state commission.

Improvements to the information system include the incorporation in all statistical series and other public documents information on the evolution of environmental quality, and on the causes and consequences of any trends. There is a need systematically to evaluate data on current and proposed development trends. It is also essential gradually to integrate and refine a specialized information system related to environmental protection, and linked to other information systems. There must also be put in place concurrently a set of specific measures that will facilitate flexible response to situations of critical environmental pollution, for instance reducing the production of harmful substances and implementing protective or compensatory measures.

The rapid destruction of the environment on practically our entire territory points to the necessity of fundamental changes in the management system of the national replacement process. These changes must allow ecological considerations to play a role in decisions. After all, without a high quality environment and without rational natural resource use, economic intensification will remain an unattainable illusion over the long term.

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#### Poor Knowledge of Russian Criticized

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[Article by O. Leska: "Russian (Not Only) In School"—TVORBA Round Table]

[Excerpts] The article on the translation and correct meaning of the Russian words "glasnost" and "perestroika" which we published in issue No 8 of TVORBA brought considerable response. There were many suggestions on how to understand other Russian expressions in the relationship between Czech and Russian. That led us to the conclusion that we need to talk about the teaching of the Russian language in our schools in general—from the elementary to the institutions of higher learning, about the attitudes of pupils and students (as well as teachers) to that language, and about the importance of the Russian language in our society.

The people who met in the editor's office did not have to convince each other about the need for the Russian language, but they wanted to clarify for themselves the problems which exist in teaching that language. The round table discussion lasted 3 and 1/2 hours, and, as one of the participants put it, "we could have talked about these problems until Christmas." Let us begin with the first question:

#### Is It Necessary To Know Russian?

The teaching of Russian bears a direct relationship to the attitude toward language and culture in general. This attitude "determines the efficiency of teaching, influences teachers as well as students and is to a certain extent a question of politics.... The situation today is

different from that in 1945 when it was uniquely and positively influenced by the liberation of our country by the Soviet Army. In the years that followed the interest in learning about the USSR and the Soviet experiences played a part, but there were certain negative effects caused by some incorrect theoretical viewpoints, formalism in mutual relations, as well as a not entirely objective evaluation of the Soviet realities. The current situation therefore is not balanced either in the positive or in the negative sense. However, when we consider the opportunities which we have today (heightened interest in what is happening in the USSR), and particularly those which will develop further in the future (widening direct contacts with Soviet citizens, cooperation between enterprises, trade with the USSR, long-term sojourns of our specialists in the USSR at work or on assignments, learning about Russian and Soviet culture, reading of the Soviet press, reception of Soviet television signals), the level of general knowledge of the Russian language in relation to that is at a low level. People are not generally convinced that it is necessary to know Russian. Not only as one of the school subjects, but as a living and needed language without which a comprehensive educational level of a young person is inconceivable. What is more, we are entering into an era of restructuring—not only in the USSR but in the entire community—which will require mutual relations of a broader nature. To this end, a single basic language of communication will be essential. The need for people with knowledge of Russian will increase, the need for Russian specialists will be greater. It needs to be said frankly that to a certain extent we are not prepared for it." (K. Chlupacova)

"Russian is not being presented as an important tool of understanding and an intermediary of current events in the world." (V. Cicha)

"On the scale of difficulty of school subjects, it is considered to be one of the least demanding." (V. Hrabec)

"In contrast to mathematics, for example, it is practically impossible to fail in it. That is somehow unhealthy, to have a Russian specialist think twice about whether to fail a student because he will then have to submit complicated justifications for having done so." (S. Bystrianin)

There are also other reasons: There is the awareness of the relatedness of our languages and the ensuing insufficient motivation. There is also the argument that "my parents were able to talk to the Russians in 1945 and they did not speak Russian." Or even "my father is a good architect and it makes no difference that he does not speak Russian." Both examples were cited by S. Bystrianin from his own experiences in high school; he continued: "Lately I have been asking myself why we are teaching Russian to students, when subsequently we do not even require knowledge of the Russian language; all negotiations are conducted through interpreters, every least thing is translated. The staff of our department prepares translations of even simple texts which are



requested by staffs of other departments, notwithstanding the fact that they themselves have, after all, studied in the Soviet Union. Although this is an easy way of doing it, it is expensive and causes loss of motivation and even of the purpose of studying. And at the same time, Russian is taught to everyone beginning at 10 years of age; for graduates of institutions of higher learning this means studies of 12 years' duration."

Skacel pointed out that although Russian is not yet as firmly established as a language of communication and information within the framework of the socialist community as English is in the West, the further development of cooperation will obviously make it inevitable. This was discussed at the three congresses of MAPRJAL (International Association of Teachers of Russian Language and Literature). Russian has not been absorbed yet into our consciousness as a language which should be a natural component of higher qualification, although it is universally recognized that most of specialized technical and scientific literature is written in English and in Russian. The recognition of this should be promoted also by the media, the Czechoslovak-Soviet Friendship League and other organizations, by all of society. Then we shall succeed in moving from the school attitude of "I must" to "I want to and I am glad to do it." And do it for our own need, not for the sake of the grade on our school report.

#### Literary Language and Culture

"The 17th Congress of KSC criticized the low standards of teaching languages in general—Czech, Russian, and other world languages." (V. Cicha)

"The rather unsatisfactory level of proficiency in Russian, of the ability to hold a conversation, must be considered as part of the current decline in language

literacy in our society. Generally the art of using language well has greatly declined, both in its spoken and written form. It is a question of knowledge of one's mother tongue and one's attitude to it. We do not make enough effort to cultivate in people an awareness that language is a thing of great value which we have to safeguard and treat accordingly. It is also a question of setting examples and standards. People who hold certain positions act as if they often were unaware of their responsibility to speak in a cultured manner. They use colloquial Czech even where it is out of place. It also has to do with the ability to confront a viewpoint with a viewpoint, with the art of debating. We do not know how to do it, but we ought to learn it very quickly." (K. Chlupacova)

"Many realities of our modern life have a destructive impact on language literacy. The importance of the language medium in transmitting information has declined. In comparison with the past, the use of iconic information (diagram, picture, film) is increasing. That has an impact on the importance of language communication. The ideals of the immediate as well as the more remote future obviously will not be good stylists, whom we formerly encountered more or less as a matter of course. Active gathering of information has also declined. There is an increasing number of people who have not read a single book from cover to cover. This is not a simple measure of the decline of culture, but an indicator of the character of the environment in which man functions. Information can be obtained from sources other than a book. There is film, television, magazines. However, these provide diffuse and often superficial information. Education presupposes concentration, systematic and active engagement." (O. Leska)

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